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CALENDAR  
MEETING OF  
FINANCE COMMITTEE

DOCUMENTS DEPT.

OCT 11 1989

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Board of Supervisors  
City and County of San Francisco

WEDNESDAY, OCTOBER 4, 1989 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN

ABSENT: SUPERVISOR WARD ABSENT ITEMS 14-18

CLERK: GREG HOBSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

- I. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll-call vote of the committee. There will be no separate discussion of these items unless a member of the committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
- a) File 28-89-11. [Emergency Work] Resolution authorizing the Director of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to restore the integrity of the sewer on Townsend Street, Fifth to Sixth Streets. (Dept. Public Works)
  - b) File 28-89-12. [Emergency Work] Resolution authorizing the Director of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to restore the integrity of the sewer on San Bruno Avenue, 24th Street to Army Street. (Dept. Public Works)
  - c) File 28-89-13. [Emergency Work] Resolution approving a declaration of emergency, electrical power cable failure, Cable 12BABP-1 San Francisco International Airport - \$160,000. (Airports Commission)

ACTION: ENTIRE CONSENT CALENDAR REMOVED.

ITEMS A AND B RECOMMENDED.

ITEM C AMENDED. RECOMMENDED AS AMENDED. On lines 4 and 22 reduce amount from \$160,000 to \$120,000. AMENDED TITLE: "Approving a Declaration of Emergency, Electrical Power Cable Failure, Cable 12BABP-1 San Francisco International Airport - \$120,000.00."

REGULAR CALENDAR

2. File 118-89-3. [Medical Liens] Ordinance amending Article 3 of the San Francisco Health Code by amending Section 124.4 to delete provisions relating to medical liens for services before 1966. (Supervisor Kennedy)

(Cont'd from 9/27/89)

ACTION: CONTINUED TO OCTOBER 11, 1989.

3. File 97-89-12. [Credit Cards] Ordinance amending the San Francisco Administrative Code by adding Section 10.11-1 thereto authorizing officers, boards and commissions of the City and County of San Francisco to accept payments by credit cards. (Supervisor Kennedy)

ACTION: CONTINUED TO OCTOBER 11, 1989.

4. File 127-89-2. Hearing to consider applicability of hotel tax to residential hotels. (Supervisor Kennedy)

ACTION: CONTINUED TO OCTOBER 11, 1989.

5. File 101-89-28. [Government Funding] Ordinance appropriating \$316,000, Assessor's Office, for data processing fiscal year 1989-90. (Supervisor Walker)

ACTION: RECOMMENDED.

6. File 101-88-95.3. Requesting release of reserved funds, Juvenile Court, in the amount of \$180,500, for funds to be work ordered to the Department of Social Services to supplement existing funds for "difficult to place" youthful offenders. (Juvenile Court)

ACTION: RELEASE OF \$180,500 APPROVED; FILED.

7. File 101-89-29. [Government Funding] Ordinance appropriating \$113,058, Sheriff, for permanent salaries and related mandatory fringe benefits, overtime and uniforms, for the creation of three (3) positions. (Controller) RO #9072 (COMPANION TO THE FOLLOWING FILE)

ACTION: AMENDED. RECOMMENDED AS AMENDED. Sever Classification 8308 Sheriff's Sergeant and reduce appropriation to \$71,893. AMENDED TITLE: "Appropriating \$71,893 for permanent salaries and related mandatory fringe benefits, overtime and uniforms, for the creation of two (2) positions, Sheriff for fiscal year 1989-90."

File 101-89-29.1. [Government Funding] Appropriating \$35,160 for permanent salaries and related mandatory fringe benefits, and uniforms, for the creation of one (1) position, Sheriff for fiscal year 1989-90. (SEVERED FROM FILE 101-89-29) CONTINUED TO OCTOBER 11, 1989, MEETING.

8. File 102-89-11. [Public Employment] Ordinance amending Annual Salary Ordinance, 1989-90, reflecting the addition of three (3) positions (Classifications (2) 8304 Deputy Sheriff and (1) Sheriff's Sergeant). (Civil Service Commission) (COMPANION TO THE PRECEDING FILE)

ACTION: AMENDED. RECOMMENDED AS AMENDED. Sever Classification 8308 Sheriff's Sergeant. AMENDED TITLE: "Amending Ordinance No. 273-89 (Annual Salary Ordinance, 1989/90) reflecting the addition of two (2) positions in the Sheriff's Department."

File 102-89-11.1. [Public Employment] Amending Ordinance No. 273-89 (Annual Salary Ordinance, 1989/90) reflecting the addition of one (1) position in the Sheriff's Department. (SEVERED FROM FILE 102-89-11) CONTINUED TO OCTOBER 11, 1989, MEETING.

9. File 101-88-149.1. Requesting release of reserved funds, Public Library, in the amount of \$19,054, to purchase three (3) computers. (Public Library)

ACTION: RELEASE OF \$19,054 APPROVED; FILED.

10. File 101-89-30. [Government Funding] Ordinance appropriating \$124,053, Public Library, for permanent salaries, temporary salaries and related mandatory fringe benefits, telephone, printing and other contractual services, for the creation of three (3) positions. (Controller) RO #9070 (COMPANION TO THE FOLLOWING FILE)

ACTION: AMENDED. RECOMMENDED AS AMENDED. Add a Section 3 to read: "Although the City has incurred no legal obligation under the Charter, the Board of Supervisors does hereby appropriate the funds necessary for incurring the costs of continuing the program between October 1 and October 16, 1989, and does hereby ratify the action previously taken." AMENDED TITLE: "Appropriating \$124,053 for permanent salaries, temporary salaries and related mandatory fringe benefits, telephone, printing and other contractual services, for the creation of three (3) positions, Public Library, for fiscal year 1989-90; and providing for ratification of action previously taken."

11. File 102-89-9. [Public Employment] Ordinance amending Annual Salary Ordinance, 1989-90, Public Library, reflecting the addition of three (3) positions (Classifications 3632 Librarian II, 3630 Librarian I and 3616 Library Technical Assistant I). (Civil Service Commission) (COMPANION TO THE PRECEDING FILE)

ACTION: RECOMMENDED.

12. File 101-89-36. [Government Funding] Ordinance appropriating \$136,946, Tax Collector, for permanent salaries and related mandatory fringe benefits, data/word processing equipment maintenance, telephone, office supplies, minor furnishings, services of other departments - Public Works - General Office, services of other departments - Controller - data processing and services of other departments - City mail services, for the creation of four (4) positions. (Supervisor Walker) (COMPANION TO THE FOLLOWING FILE)

ACTION: AMENDED. RECOMMENDED AS AMENDED. Reduce appropriation from \$136,946 to \$131,020. Reduce Permanent Salaries from \$53,213 to \$36,289 and add a line for temporary salaries in the amount of \$13,407 and reduce mandatory fringe benefits accordingly; on Page 2, line 7 change Account Clerk from 2 positions to 1 position and delete 1720A Data Entry Operator; add a Section 3 to read: "It is the intention to finance these positions from the Residential Rent Stabilization and Arbitration Fee and that all personnel filling these positions will perform work related to these projects only and that when the work financed by these funds, which are currently scheduled to terminate on June 30, 1990, that these positions created by this ordinance will cease to be filled upon the completion of these projects." AMENDED TITLE: "Appropriating \$131,020 for permanent and temporary salaries and related mandatory fringe benefits, data/word processing equipment maintenance, telephone, office supplies, minor furnishings, data/word processing equipment, services of other departments - Public Works - General Office, services of other departments - Controller - data processing and services of other departments - City Mail services, for the creation of two (2) positions, Tax Collector for fiscal year 1989-90."

13. File 102-89-14. [Public Employment] Ordinance amending Annual Salary Ordinance, 1989-90 reflecting the addition of two (2) positions in the Office of the Treasurer/Tax Collector. (Supervisor Walker) (COMPANION TO THE PRECEDING FILE)

ACTION: AMENDED. RECOMMENDED AS AMENDED. Add a Section 2 to read: "It is the intention to finance these positions from the Residential Rent Stabilization and Arbitration Fee and that all personnel filling these positions will perform work related to these projects only and that when the work financed by these funds, which are currently scheduled to terminate on June 30, 1990, that these positions created by this ordinance will cease to be filled upon the completion of these projects."

#### CLOSED SESSION

14. File 45-89-37. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Fina Valasica against the City and County of San Francisco by payment of \$6,000. (City Attorney) (Superior Court No. 859-644)

ACTION: RECOMMENDED.

15. File 45-89-38. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Dennis Bishop against the City and County of San Francisco by payment of \$16,000. (City Attorney) (U.S. District Court No. C88-0494)

ACTION: RECOMMENDED.

16. File 45-89-39. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Rita Williams against the City and County of San Francisco by payment of \$20,000. (City Attorney) (Superior Court No. 841-615)

ACTION: RECOMMENDED.

17. File 46-89-15. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of James O'Shea vs. Loren Douss, et al., upon receipt of the sum of \$7,500 and authorizing dismissal of complaint. (City Attorney) (Superior Court No. 891652)

ACTION: RECOMMENDED.

18. File 46-89-16. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Carols Hernandez vs. Homer J. Olsen, Inc., upon receipt of the sum of \$2,000 and authorizing the execution of all necessary documents. (City Attorney)

ACTION: RECOMMENDED.

19. File 48-89-11. [Settlement of Claim] Resolution approving the settlement of the claim of 125 Farralones Partnership in the sum of \$35,000 plus interest.

ACTION: CALENDARER IN ERROR. NO FILE INTRODUCED.



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## BOARD OF SUPERVISORS

BUDGET ANALYST *Recessed dates*

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

October 4, 1989

TO: Finance Committee  
FROM: Budget Analyst  
SUBJECT: October 4, 1989 Finance Committee Meeting

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Item 1a - File 28-89-11

**Department:** Department of Public Works (DPW)  
Clean Water Program (CWP)

**Item:** Emergency resolution approving the expenditure of funds to repair sewer pipes along Townsend Street, between 5th and 6th Streets. Section 6.30 of the Administrative Code requires Board of Supervisors approval for emergency expenditures in excess of \$25,000.

**Amount:** \$320,875

**Source of Funds:** Clean Water Program Sewer Repair and Replacement Fund

**Description:** CWP has determined that the sewer pipes located along Townsend Street, between 5th and 6th Streets are in imminent danger of collapsing due to ground settling occurring in the area. Because of the age of the pipes and apparent ground settling, the existing pipes may collapse during a substantial rainfall, resulting in a potential hazard to public health and safety. Therefore, CWP has declared an emergency in order to assure the completion of the needed repair work before this Winter's rainy season.



CWP put the repair work out to bid and received three bids. CWP selected the lowest bidder, Stacey & Witbeck, Inc. jointly with Westbay Contractors, Inc. (LBE/WBE) to perform the required construction work for \$184,152.

Estimated project costs are as follows:

Clean Water Program Engineering	\$ 68,000
Bureau of Engineering	30,000
Traffic Engineering	1,450
Construction Bid	184,152
Contingency (10%), Project Management	<u>37,273</u>
Total	\$320,875

**Comments:** CWP reports that the design work on the project was completed on June 27, 1989. Construction began on September 22, 1989, and CWP expects the project to be completed on or about December 4, 1989.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 1b - File 28-89-12

**Department:** Department of Public Works (DPW)  
Clean Water Program (CWP)

**Item:** Emergency resolution approving the expenditure of funds to repair sewer pipes along San Bruno Avenue, between 25th and Army Streets. Section 6.30 of the Administrative Code requires Board of Supervisors approval for emergency expenditures in excess of \$25,000.

**Amount:** \$189,273

**Source of Funds:** Clean Water Program Sewer Repair and Replacement Fund

**Description:** CWP has determined that damage from weather and age to the sewer pipelines along San Bruno Avenue, between 25th and Army Streets, is severe enough to require immediate replacement. Consequently, CWP has declared an emergency to assure immediate repair of the pipes and avoid a hazard to public health and safety.

In accordance with Section 6.30 of the Administrative Code, an expedited bidding procedure was used by CWP. Under the expedited bidding procedure, CWP selected the first available and qualified contractor, the firm of Darcy & Hardy, to perform the repair work. Project costs are summarized as follows:

CWP Engineering	\$ 20,000
DPW Bureau of Engineering	17,500
Traffic Engineering	600
Construction	137,430
Contingency (10%)	<u>13,743</u>
	\$189,273

**Comment:** CWP reports that design work on the project was completed on June 25, 1989. Construction began on September 26, 1989, and CWP expects the project to be completed by approximately December 15, 1989.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 1c - File 28-89-13

**Department:** Airports Commission

**Item:** Emergency resolution. Section 6.30 of the Administrative Code states that the Board of Supervisors must approve emergency expenditures in excess of \$25,000.

**Amount:** \$160,000

**Source of Funds:** Previously budgeted 1989-90 Airport Operating Fund

**Description:** The Airports Commission has determined that an emergency has occurred involving City-owned facilities at the San Francisco International Airport. Two of the three electrical power cables serving approximately 12 Airport facilities and their tenants along McDonnell Road have failed, leaving the area without a backup power source. According to the Airport, at least two power cables are required to minimize the risk of overloading the cables, which would result in a power outage. Although the first cable, which failed earlier this year, will be repaired through a competitively-bid contracting procedure, the Airport has contracted with Coast Electric Co. on an emergency basis to repair the second failed cable, which failed on August 20, 1989.

The Coast Electric Co., which is not on the Human Rights Commission's list of Minority and Women Business Enterprise (MBE/WBE) firms, began repairing the cable on August 23, 1989 and completed the work on September 2, 1989. According to Mr. Al Lim of the Airport, the requested amount of \$160,000 was based on cost estimates of \$128,000 to repair the first failed cable plus a contingency of 25 percent (\$32,000). The Airport reports that it has not yet received an invoice from Coast Electric Co. for the completed work. Mr. Joe Birrer of the Airport indicates that Coast Electric Co. was chosen based on the company's experience and availability after informal bids were solicited from a list of companies that have previously contracted with the Airport.

**Comment:** Mr. Lim reports that the Airport reduced the scope of services after the Department had submitted the request for an emergency resolution. Coast Electric Co. has since provided a revised cost estimate of \$120,000. Therefore, the amount of the proposed emergency resolution should be reduced by \$40,000 from \$160,000 to \$120,000 to reflect the revised cost estimate.

BOARD OF SUPERVISORS  
BUDGET ANALYST



Memo to Finance Committee

October 4, 1989

**Recommendation:** Amend the resolution to reduce the amount from \$160,000 to \$120,000 to reflect the revised cost estimate provided by Coast Electric Co., and approve the resolution as amended.

BOARD OF SUPERVISORS  
BUDGET ANALYST



Item 2 - File 118-89-3

**Note:** This item was continued at the September 27, 1989 Finance Committee meeting.

1. The proposed ordinance would delete certain provisions of Health Code Section 124.4 relating to the release of liens imposed prior to July 13, 1966 for the cost of medical services.

2. As currently worded, Health Code Section 124.4 requires that the Board of Supervisors act on each lien release covered by the section. Ms. Sharon Kennison, Assistant Administrator for Patient Finance at San Francisco General Hospital, states that the proposed ordinance is designed to eliminate the involvement of the Board of Supervisors in this process, allowing these liens to be handled by the Bureau of Delinquent Revenue (BDR) in the Tax Collector's Office.

3. Mr. Robert Fletcher, Attorney for the Tax Collector, states that his office is responsible for all aspects of collection of liens arising after July 13, 1966, under authority of the Administrative Code designating the Tax Collector as collection agent for these matters. Mr. Fletcher's interpretation of the proposed amendment is that authority to deal with all liens for medical services, regardless of when they were rendered, would rest with his office. Mr. Fletcher believes this proposed ordinance, if enacted, would relieve some administrative burden from the Tax Collector's Office by eliminating the need to request from the Board of Supervisors release of pre-1966 liens .

**Comment**

Approval of the proposed ordinance would remove the authority of the Board of Supervisors to approve individual lien releases.

**Recommendation**

Relinquishing authority vested in the Board of Supervisors is a policy decision for the Board.



Item 3 - File 97-89-12

1. The proposed ordinance would amend the Administrative Code by adding Section 10.11-1, authorizing all officers, boards and commissions of the City to accept payment of fees and other charges by credit card for services provided by the City. Credit card payments would have to be made in person and not by telephone or mail, and would only be accepted for payments of \$10 or more.

2. According to the City Attorney, California Government Code Section 6159 authorizes cities to accept credit cards for certain types of payments, including the deposit of bail or fines for parking tickets or misdemeanors, for payment of car towage or storage fees resulting from parking violations, or for payment of other charges or fees for services rendered by the City. Section 6159 does not permit the use of credit cards for making other payments, such as property or payroll taxes.

Comments

1. The attached report, prepared by the City's Treasurer, provides a summary of some of the advantages and disadvantages of the proposed ordinance. The advantages include convenience to the payor, a possible reduction in bad checks received, and quicker deposit of funds to the City's accounts. The disadvantages include payment delays involving disputed charges, the need to set aside City funds to pay bank service fees and therefore a reduction in funds available for investment, the need for training for employees involved with credit card payments, and the need for additional administrative time to reconcile disputed charges.

2. The Treasurer reports that the credit card discount fee, which is the monthly charge for credit card transaction processing, would cost the City approximately two percent of the credit card charges. Additional monthly bank charges include account maintenance, computer terminal rental, computer time, and fees for deposits, couriers and balance reports. The Treasurer indicates that the actual monthly costs to the City would depend on the dollar amount and the number of credit card transactions, and the Treasurer is unable to provide an estimate of the actual costs to the City without this information.

3. The Treasurer advises that the proposed legislation should require City departments to obtain approval of the Treasurer prior to establishing systems for credit card payment. The Treasurer indicates that this additional requirement would allow the Treasurer to ensure that credit card payments would be cost-effective for the department requesting the system. The Budget Analyst concurs with the Treasurer that new credit card payment systems should be approved by the Treasurer.



4. Article X, Section 10.57A of the Administrative Code currently authorizes the Municipal Court and the Police Department to accept credit card payments for bail for misdemeanor offenses and for traffic fines. According to Mr. Tom Carrick of the Treasurer's Office, the Municipal Court collects approximately \$90,000 to \$100,000 per month in traffic fines and misdemeanor bail payments, from which approximately \$1,800 to \$2,000 is deducted for the bank's discount fee. Other monthly charges total approximately \$2,000. If these traffic fine and misdemeanor bail payments were paid in cash or by check, the City could have realized an additional approximately \$4,000. The experience of the Municipal Court may or may not represent the experience of other City departments, should credit card payments be authorized City-wide.

#### Recommendation

Approval of the proposed ordinance, which would provide a convenience to the public at an indeterminable cost to the City, is a policy matter for the Board of Supervisors. If the Board approves the proposed ordinance, amend the legislation to require that departments receive approval of the Treasurer prior to the establishment of a new credit card payment system.

BOARD OF SUPERVISORS  
BUDGET ANALYST



Proposed legislation for accepting payment by credit card for services rendered by the City and County of San Francisco.

There is proposed legislation by Supervisor Kennedy which would allow City and County departments to accept payment by credit card for services rendered. The minimum acceptable payment is \$10.00.

In reviewing this legislation and the possible effects on the City and County, especially the Treasurer's Office, there are some advantages and many disadvantages associated with this legislation.

#### Advantages

- A. Convenience to payor. Payor can pay by credit card rather than carry cash.
- B. A possible reduction in bad checks issued. This advantage is offset somewhat by a disadvantage indicated below. (Disadvantage B)
- C. If the department(s) use an electronic terminal, similar to the current Municipal Court traffic citation/bail system, each payment would be immediately credited to the City's account at time of transaction. This would eliminate the delay in deposit of funds. Also no float would be involved in a deposit. However, if a manual system is employed, there would be a delay in deposit of transaction slips, but with no float involved.

#### Disadvantages:

- A. Under Federal law, when a credit card holder disputes an item on the credit card statement, the bank will remove the item and chargeback the merchant (City and County of San Francisco) the item purchase price plus interest from the date of posting to date of chargeback.

Should this occur, an individual who has made payment by credit card can dispute the charge on the monthly statement and the bank will reduce the merchant's account by the disputed amount plus interest. If this happened to a city's account, the payor could be long gone before the department could recover the deducted funds from the payor. This disadvantage partially reduces Advantage B above.

- B. If a credit card system is implemented, either an electronic or manual system, funds will be placed in a City designated bank account which will require a compensating balance or direct payment for services provided by the bank. As a result, the funds used to pay the bank cost will not be available for investment purposes, therefore reducing investment income.



- C. In using a credit card payment system, the bank charges the merchant a discount fee for the processing of the credit card transaction. The current rate charged by Security Pacific National Bank for processing the Muni Court's transactions is 1.77%. Note: If a manual system was in place, the rate would be over 2%. This fee is charged on the monthly bank statement as a debit to the account.

As a result of this fee, revenues of the City and County would be reduced by the amount of the fee (at least 1 - 2%). As the fee rate increases and transaction volume, the more revenues will be lost to the city.

- D. Additional costs will be incurred with the selection of either an electronic or manual system.

Costs are as follows:

<u>Service</u>	<u>Electronic</u>	<u>Manual</u>
1. Account Maintenance (per month)	\$ 13.00	\$ 13.00
2. Branch deposit (per deposit)	1.25	1.25
3. Debits (per item)	.12	.12
4. Balance report (per month)	75.00	75.00
5. Connect time (per minute)	.3333	.3333
6. Computer printed item (per item)	.20	.20
7. FDIC (per collected balance)	.058%	.058%
8. Terminal rental (per terminal)	50.00	50.00
9. Courier (per month)	100.00 +	100.00 +

The actual cost per month will depend on transaction volume or collection balance.

- E. Should this legislation be law, there is the question as to which departments will decide to accept this type of payment. Of those that do, they will have to be advised that:
1. Their designated staff will have to be fully trained in the preparation and completion of the transaction sales slips. Payment by credit card will take longer than by check or cash as bank authorization for each transaction must be obtained and transaction slip completed.
  2. New reconciliation procedures to conform with Treasurer's Office and Controller reporting and reconciling requirements.
  3. Avoid the experience of Municipal Court in dealing with credit card transactions both with manual and electronic systems.



4. Under state law, the payment of Real Estate taxes cannot be accepted by credit card. However, as a state law, it could be changed.
- F. Should any city department decide to accept credit card payments, they should:
1. Receive approval from the Treasurer's Office and Controller prior to accepting credit card payments.
  2. Require that the minimum credit card transaction be \$100.00. Unless the transaction dollar volume is able to cover the city's bank charges through analysis, additional funds will have to be placed in the account for a period of time to maintain sufficient balances for analysis requirements. As a result, these additional funds will not be available for investment purposes.
- NOTE: The above request will allow the Treasurer and Controller to review and determine if this method of payment is feasible and cost effective.
- G. Changes in the Treasurer's Office:
1. Possible new reconciliation headaches.
  2. Bidding process for selection of bank to process credit card transactions.
  3. A drop of 1 - 2% in revenue due to the discount fee charged by the bank. This fee is automatically deducted from the account based on the prior month's activity.



Item 4 - File 127-89-2

1. Hearing to consider applicability of hotel tax to residential hotels.

2. Municipal Code Article 7 - Sections 502, 502.5 and 502.6 provides for the imposition of a tax totaling 11 percent on the rate charged to occupy a guest room in a hotel in the City. A hotel is defined as any structure or portion of a structure including any lodging house, rooming house, dormitory, Turkish bath, bachelor hotel, studio hotel, motel, auto court inn, public club, or private club containing guest rooms which are occupied or intended to be occupied by guests.

3. Section 504 stipulates that the hotel tax is to be collected from the occupant of the guest room at the same time that the hotel rent is collected except for the following exemptions outlined in Section 506: (1) the occupant is a permanent resident, (2) the occupant is associated with a corporation or association that is exempt from income taxation or (3) where the rent at the hotel is less than twenty dollars a day or \$85 per week.

4. A "permanent resident" is defined as any occupant who has occupied or has the right to occupancy of any guest room in a hotel for at least 30 consecutive days. According to the Tax Collectors' interpretation, hotel occupants are considered transients and therefore subject to the tax unless they have clearly established a right of occupancy for at least thirty days through the advance payment of 30 days rent or have signed a long term lease in excess of 30 days, thereby qualifying them for "permanent resident" status. The Tax Collector reports that if a hotel occupant qualifies for "permanent resident" status, they are not subject to any tax payment.

5. Mr. Richard Sullivan of the Tax Collector's Office reports that a total of 752 hotels in the City are currently subject to the hotel tax. These hotels are a combination of non-residential hotels (all occupants are transient) and residential hotels (occupants include permanent residents as well as transients). For fiscal year 1988-89, the City collected a total of \$65,219,006 in revenue from the hotel tax. The Tax Collector is unable to provide, at this time, that portion of the hotel tax revenue that is attributable to residential hotels.

6. Mr. Gene Porter of the Bureau of Building Inspection reports that currently there are approximately 500 residential hotels in the City which house approximately 18,751 permanent residents and 4,640 transients. Of the 500 hotels, approximately 327 hotels are occupied by permanent residents on an ongoing basis, with the possibility of limited occupancy by transients during summer months. The remaining 173 hotels are occupied by a combination of permanent residents and transients on an ongoing basis. The Tax Collector reports that this latter category constitutes the primary source of hotel tax revenue collected from residential hotels.



Item 5 - File 101-89-28

**Note:** This item was continued at the September 20, 1989 Finance Committee Meeting.

**Department:** Assessor's Office

**Item:** Supplemental Appropriation Ordinance to continue development of the Assessor's Office database for the City's Property Information System.

**Amount:** \$316,000

**Source of Funds:** General Fund-General Reserve

**Description:** The proposed Supplemental Appropriation Ordinance would appropriate \$316,000 from the General Fund-General Reserve to the Assessor's Office to continue development of the database for the projected City-wide Property Information System.

According to the Assessor's Office, centralization of data and efficiency created by the new system will result in faster reporting of property transfers, and other similar property transactions which in turn will result in faster reassessments and increased tax revenues.

In 1984, at the direction of the Electronic Information Processing Steering Committee (EIPSC), a Property Information System Users Group was formed to study the development of a standardized, City-wide Property Information System. The Users Group was led by representatives of the Assessor's Office and Recorder's Office. An early decision was made that the Assessor's Office system would be developed as the cornerstone of that City-wide system. Since 1985, the Group has studied the requirements and design of the Assessor's system. In November, 1986, EIPSC gave its approval to proceed with the project, which was then estimated for completion by January, 1988.

According to the Assessor's Office, budgetary constraints, personnel turnover, and recent State legislation which has greatly increased the burdens and responsibilities of the Assessor's Office, caused this project to be delayed for nearly two years, resulting in increased costs and changes to the project scope. According to the Assessor's Office, the \$316,000 supplemental appropriation that is the subject of this

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



item is necessary to complete the 1989-90 phase of the Assessor's study and assessment of system requirements, its functions, and the information to be held in the system. The proposed Supplemental Appropriation Ordinance would also allow the Assessor's Office to begin database design, evaluate the availability of software packages, undertake system design, and other aspects of the ongoing project.

The proposed Supplemental Appropriation Ordinance would be applied as follows:

Salaries

1866 Technical Project		
Manager	\$55,411	
1876 Programming Leader	<u>55,412</u>	
		\$110,823

Professional Services

Project Manager	\$ 93,600	
Integrated Data Management		
System Specialists	<u>111,577</u>	
		<u>\$205,177</u>
Total		<u>\$316,000</u>

**Comments:**

1. The Assessor's Office reports that the Recorder's Office, which is part of the Users Group, currently has \$300,000 of reserved funds in its 1989-90 budget to devote to this project.

2. According to the Assessor's Office, \$542,516 has already been expended to date in the development of this project. These expenditures represent the Assessor's Office Information System Division (ISD) costs billed and projected through October 1, 1989, of which \$352,440 have been charged to the Assessor's Office and \$190,076 to the Recorder's Office.

3. The Assessor's Office projects that total future costs for the development of the system are approximately \$2,227,356, as follows:

1989-1990	\$616,000
1990-1991	1,161,600
1991-1992	<u>449,756</u>
Total	<u>\$2,227,356</u>

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Although the costs in FY 1989-90 are being shared by the Assessor's and the Recorder's Offices, costs in future years will be borne exclusively by the Assessor's Office.

4. The Assessor's Office meets monthly with representatives of ISD and the Recorder's Office to review progress on the project. The Assessor's Office also has installed an ongoing documentation system to prevent delays or disruption due to personnel turnover, and has developed a comprehensive Project Plan which designates time requirements on a task-by-task basis. This Project Plan enables the Assessor's Office to keep close track of time expended on each phase of the project in order to control costs.

**Recommendation:**

Approve the proposed Supplemental Appropriation Ordinance.



Item 6 - File 101-89-95.3

**Department:** Juvenile Court

**Item:** Request for release of reserve.

**Amount:** \$180,500

**Source of Funds:** Appropriated and reserved Outer Continental Shelf Lands Act Funds

**Description:** In April, 1989, the Board of Supervisors passed Ordinance 110-89 (File 101-88-95) appropriating \$742,163 for capital improvements, professional services, and services of other City departments. Of the \$742,163 appropriated, \$694,420 was placed on reserve. This item is a request to release \$180,500 from this reserve.

The Juvenile Court and the Juvenile Probation Department are developing a pilot program that would provide for placement of delinquent wards of the Court in a short-term residential shelter facility as an alternative to housing them in Juvenile Hall. The short-term shelter facility would be used while a long-term placement program is developed for the delinquent youth.

The Juvenile Court requests release of the \$180,500 reserved and proposes to work-order the funds to the Department of Social Services (DSS) to pay for excess payment rates to a short-term shelter facility to house delinquent wards of the Court. Excess payment rates supplement the normal boarding rates, and will be paid to the shelter home to compensate the home for the additional cost of caring for and supervising these problem children. At the Juvenile Courts' direction, DSS will manage and disburse these funds to the short-term shelter home to be used under this program.

**Comment:** 1. The San Francisco Boys Homes has agreed to convert one of its homes into a short-term shelter facility for this program.



2. Currently, the San Francisco Boys Home receives a State authorized boarding home rate of \$116 per day, per person, of which 95 percent is paid from State and Federal funds and five percent is paid from County funds. The proposed excess payment rates will range from approximately \$17 per day, per person to \$67 per day, per person. Together, the excess payment rates funded by this \$180,500 supplemental appropriation and the authorized boarding home rate will result in an overall rate of between \$133 to \$183 per day, per person. The Juvenile Court reports that because the San Francisco Boys Home will be supervising youths with significant behavioral problems, the actual excess payment rate paid to the Home is estimated to be closer to \$67 per day, per person. At \$67 per day, per person, the \$180,500 will pay for approximately 2,700 person days of care by the San Francisco Boys Home.

**Recommendation:** Approve the request for release of \$180,500 from reserve.



Items 7 and 8 - File 101-89-29 and 102-89-11

**Department:** Sheriff

**Items:** File 101-89-29 - Supplemental Appropriation Ordinance to increase the Sheriff's 1989-90 budgets for Permanent Salaries, Overtime, Mandatory Fringe Benefits and Uniforms to increase security services provided to the Youth Guidance Center (YGC).

File 102-89-11 - Ordinance to amend the Annual Salary Ordinance to create three, new, permanent positions in the Sheriff's Department to provide security services at YGC.

**Amount:** \$113,058

**Source of Funds:** General Fund - General Reserve

**Description:** The Sheriff's Office has provided security services at the entrance to YGC since January 6, 1989, by assigning a Deputy on overtime. Beginning August 1, 1989, a second Deputy was assigned to YGC, also on overtime. Although the need for security at YGC is an ongoing need, no additional funding has been provided in the Sheriff's budget for these new duties. Therefore, the proposed legislation would provide for the creation of three permanent positions and funding for overtime and uniforms.

In order to have a fully operational and independent security unit at YGC, the Sheriff's Office proposes creating two new Deputy positions to provide permanent security staff at YGC rather than assigning different Deputies on overtime each day. The Sheriff's Office is also proposing the creation of one Sergeant position to provide on-site supervision, back up and full coverage when a Deputy is absent. Having an independent security unit at YGC would result in better security because the Sergeant and Deputies permanently assigned at YGC would become familiar with the situations and problems at YGC and the solutions and remedies necessary.

The proposed ordinance to amend the Annual Salary Ordinance (File 102-89-11) would create three new permanent positions (to be classified at a future meeting of the Civil Service Commission) in the Sheriff's Office, as follows:

<u>Number</u>	<u>Classification</u>	<u>Biweekly Salary</u>	<u>Annual Salary (Top Step)</u>
1	8308 Sheriff's Sergeant	\$1,443-1,748	\$45,623
2	8304 Deputy Sheriff	\$1,185-1,436	\$37,480

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



The proposed Supplemental Appropriation Ordinance (File 101-89-29) would fund the three new positions for 19.5 biweekly pay periods from October 1, 1989, through June 30, 1990, and other costs, as follows:

Permanent Salaries

1 - 8308 Sheriff's Sergeant (Step 4)	\$32,487	
2 - 8304 Deputy Sheriff (Step 2)	<u>48,478</u>	
Subtotal		\$80,965

Overtime

2 Deputies for 41 days from August 3, through September 30, 1989		17,630
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Mandatory Fringe Benefits		6,963
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Uniforms (three new positions)		<u>7,500</u>
--------------------------------	--	--------------

Total		\$113,058
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**Comments:**

1. The annual cost of the three new positions is approximately \$156,000.
2. The earliest the proposed ordinances can be finally approved is October 16, 1989. Therefore, the Budget Analyst is recommending reducing the amount requested for Permanent Salaries and increasing the amount requested for Overtime to reflect that delay. However, because Overtime for two Deputies at the top step for the eleven day delay (October 1 through October 16) is \$4,730 whereas the entry level pay for two Deputies and one Sergeant for the eleven day delay is only \$4,567, a net difference of \$163, the Budget Analyst recommends amending the proposed Supplemental Appropriation Ordinance to add only \$4,567 to Overtime and the \$163 (\$4,730 less \$4,567) can be absorbed by the Sheriff's existing Overtime budget for 1989-90.

**Recommendation:**

1. Approve the proposed ordinance to amend the Annual Salary Ordinance (File 102-89-11).
2. Amend the proposed Supplemental Appropriation Ordinance (File 101-89-29) to reflect delayed hiring of the new positions, as follows:

	Original Appropriation <u>Requested</u>	Budget Analyst <u>Recommends</u>	Increase <u>(Decrease)</u>
Permanent Salaries	\$80,965	\$76,398	\$(4,567)
Overtime	17,630	22,197	4,567

Approve the proposed Supplemental Appropriation Ordinance as amended.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 9 - File 101-88-149.1

**Department:** Library

**Proposed Action:** Release of reserved funds previously approved for the purchase of computer equipment. The funds were reserved pending approval of the computer equipment by the City's Electronic Information Processing Steering Committee (EIPSC).

**Amount:** \$19,054

**Source of Funds:** 1988-89 State Public Library Foundation funds

**Description:** Each year, the State allocates Public Library Foundation Funds to County libraries to augment their provision of library services. The San Francisco Public Library budgeted \$500,000 in its 1988-89 budget as its estimate of the State's allocation of Public Library Foundation funds for fiscal year 1988-89. Subsequently, the State actually allocated \$613,202 for 1988-89 to the San Francisco Public Library, which is \$113,202 more than the \$500,000 budgeted.

On June 19, 1989, the Board of Supervisors approved the supplemental appropriation of the \$113,202 balance of the State allocation not yet appropriated in the 1988-89 budget, and placed on reserve \$39,500, for the purchase of computer equipment, pending approval by EIPSC. EIPSC has reviewed the Library's request and has recommended the purchase of the three computer systems for a total of \$19,054. The Library is now requesting release of \$19,054 of the \$39,500 for computer equipment, as follows:

- |   |         |
|---|---------|
| 1 Compaq 386 Micro with 80 MB Hard Disk,<br>VGA Monitor, Epson 1050 NLQ Printer,<br>2 400 baud internal modem       | \$5,500 |
| 1 Compaq 386 Micro with 80 MB Hard Disk,<br>VGA monitor, Laser Printer, 2400 baud<br>internal modem, Logitech mouse | 5,500   |



1 AST Premium 286, Model 70 system, including:

JHL CJK Character Generator	\$4,411	
Transfer CJK PC Keyboard	1,500	
Epson LQ1050 Printer	700	
Installation	500	
Training	455	
Tax	<u>488</u>	
Subtotal		<u>\$ 8,054</u>
Total Release of Reserved Funds		\$19,054

**Recommendation:** Approve the proposed release of \$19,054 in reserved funds.



Items 10 and 11 - Files 101-89-30 and 102-89-9

**Department:** Public Library

**Items:** File 101-89-30 - Supplemental Appropriation Ordinance to increase the Library's 1989-90 budget for personnel and operating costs in order to continue a program currently funded by a State grant.

File 102-89-9 - Ordinance to amend the Annual Salary Ordinance to create three, new permanent positions for the program.

**Amount:** \$124,053

**Source of Funds:** General Fund - General Reserve

**Description:** The Municipal Reference Service is a demonstration project funded by a State grant that ended on September 30, 1989. The Municipal Reference Service provides the following three major services:

- Answering questions for City agencies.
- Staffing a City Hall office for consultation and ready reference.
- Contributing to the development of a municipal database by other library staff.

For the twelve months of the grant project (October 1, 1988 through September 30, 1989) a total of 591 questions were researched for 82 City agencies. The major users of this reference service were the following:

<u>Agency (Department)</u>	<u>Number of Queries</u>
Mayor's Office	102
Board of Supervisors	83
City Attorney	56
Public Library	44
Recreation and Park	34
Department of Public Works	29
S. F. International Airport	25
Controller	18
Chief Administrative Officer	17
Department of Public Health	16

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



The proposed Ordinance (File 102-89-9) would create three new permanent positions (to be classified at a future meeting of the Civil Service Commission) to replace the grant funded temporary positions that currently staff the Municipal Reference Service, as follows:

<u>Classification</u>	<u>Biweekly Salary</u>	<u>Annual Salary (Top Step)</u>
1 - 3632 Librarian II	\$1407 - 1,706	\$44,527
1 - 3630 Librarian I	\$1,197 - 1,450	\$37,845
1 - 3616 Library Technician	\$ 994 - 1,203	\$31,398

The proposed Supplemental Appropriation Ordinance (File 101-89-30) would fund these three new permanent positions and other operating costs of the Municipal Reference Service for nine months from October 1, 1989, through June 30, 1990, as follows:

Permanent Salaries - Miscellaneous		
3632 - Librarian II (9 mos. @ Step 5)	\$33,267	
3630 - Librarian I (9 mos. @ Step 5)	28,275	
3616 - Library Tech.(9 mos. @ Step 5)	<u>23,459</u>	
Subtotal - Permanent Salaries - Misc.		\$ 85,001
Temporary Salaries		
3602 - Library Page - Part Time (15 hrs/week)		5,002
Mandatory Fringe Benefit		22,950
Telephone		1,800
Other Services		300
Other Contractual Services		
Access fees to databases used as sources for requested information		<u>9,000</u>
Total		<u>\$124,053</u>

BOARD OF SUPERVISORS  
BUDGET ANALYST



**Comments:**

1. The \$124,053 proposed Supplemental Appropriation Ordinance would continue the Municipal Reference Service for nine months from October 1, 1989, through June 30, 1990. The annualized cost of the project for a full year is approximately \$165,000. The Library indicates that if the proposed Supplemental Appropriation Ordinance is approved, beginning July 1, 1990, funding for the Municipal Reference Service will be included in the Library's regular, annual budget.

2. Should the Board of Supervisors decide to approve the proposed Supplemental Appropriation Ordinance, it should be amended to ratify action previously taken because the proposed supplemental appropriation is for nine months beginning October 1, 1989, but the earliest the proposed ordinances could be approved is October 16, 1989.

**Recommendation:**

Approval of the proposed ordinances to continue a relatively new program previously funded by a State grant and that now requires funding from the General Fund are policy matters. If the Board of Supervisors decides to approve the proposed ordinances, amend the proposed Supplemental Appropriation Ordinance to ratify action previously taken for incurring the costs of continuing the program between October 1 and October 16, 1989.



Items 12 and 13 - Files 101-89-36 and 102-89-14

**Department:** Tax Collector

**Amount:** \$138,946

**Source of Funds:** General Fund - General Reserve

**Items:** File 101-89-36 - Supplemental Appropriation Ordinance to increase the Tax Collector's 1989-90 budgets for salaries and fringe benefits for the addition of two new positions and for various operating expenses associated with collection of the Residential Rent Stabilization and Arbitration Fee.

File 102-89-14 - Ordinance to amend the Annual Salary Ordinance to create two, new permanent positions.

**Amount:** \$138,946

**Source of Funds:** General Fund - General Reserve

**Description:** Recently adopted legislation by the Board of Supervisors (File 97-89-25), replaced Rent Control filing and petition fees with a new \$8 maximum per unit fee on the owner of all rent controlled units in the City for fiscal year 1989-90. This \$8 per unit fee legislation has a sunset clause of June 30, 1990. The revenues generated by this new fee were to be used to cover the actual costs of operating and administering the Rent Board, including the costs of any new legislation, and for the City's expenses incurred in collecting the proposed fee (i.e., Tax Collector and Controller). The current Rent Board's budget for fiscal year 1989-90 is \$1,236,402.

According to recent estimates provided by the Rent Board and confirmed by the Mayor's Office, there are approximately 182,233 apartment units that would be assessed the \$8 fee and 21,543 residential hotel units that would be assessed the \$4 fee (one-half of the \$8 apartment unit fee). Together, these units could result in total revenues of approximately \$1,544,036. According to Mr. Richard Sullivan of the Tax Collector's Office, an estimated 80 percent collection rate is assumed for fiscal year 1989-90, based on historical experience with other new licenses and fees. Assuming an 80 percent collection rate, would result in FY 1989-90 revenues of approximately \$1,235,229.



Thus, the estimated \$1,235,229 revenues is short of the Rent Board's \$1,236,402 budget by \$1,173. Therefore, the proposed ordinance to appropriate \$138,946 from the General Fund - General Reserve is necessary to fund the Tax Collector's costs of implementing and collecting the \$8 fee.

The proposed amendment of the Annual Salary Ordinance (File 102-89-14) would create two new permanent positions (to be classified at a future meeting of the Civil Service Commission) in the Tax Collector's Office to implement and collect the \$8 fee, as follows:

	Biweekly Salary <u>Range</u>	Annual Salary <u>(Top Step)</u>
1 - 1408 Principal Clerk	\$1,032 - 1,249	\$32,599
1 - 1630 Account Clerk	\$810 - 979	\$25,552

The proposed Supplemental Appropriation Ordinance (File 101-89-36) would fund these two new permanent positions, two temporary positions and various operating expenses, as follows:

Permanent Salaries - Misc.	\$53,213 *
Mandatory Fringe Benefits	12,143
Telephone	2,300
Office Supplies	8,000
Minor Furnishings	860
Data/Word Processing Equip.	1,800
Data/Word Processing Equip. Maint.	80
Services of Other Depts. - Public Works	2,000
Services of Other Depts. - Controller	
- Data Proc.	30,000
Services of Other Depts. - City Mail Svcs	<u>28,550</u>
Total	\$138,946

\* Temporary Salaries are included in this amount. The Budget Analyst is recommending an amendment to segregate the Temporary Salaries.



**Comments:**

1. Substitute legislation was prepared by the Mayor's Office to change the proposed ordinance to amend the Annual Salary Ordinance (File 102-89-14) to request only two new permanent positions instead of the four originally requested. This change was to only allow two new permanent positions and two temporary positions for four months. However, the proposed Supplemental Appropriation Ordinance (File 101-89-36) amount requested and Section 2 detailing the new permanent positions to be funded indicate four new positions. Therefore, the Budget Analyst is recommending amendments to the proposed Supplemental Appropriation Ordinance to make it agree with the substitute legislation to amend the Annual Salary Ordinance.

2. Ms. Kate Harrison of the Mayor's Office indicates that the two new permanent positions should be funded for eight and one-half months (beginning September 16, 1989) and the two temporary positions should be funded for four months. However, the earliest the two new permanent positions could be hired is October 17, 1989, or for 18.4 biweekly pay periods. The Budget Analyst recommends amending the proposed Supplemental Appropriation Ordinance to reflect the reduced funding necessary for the two new permanent positions.

**Recommendations:** 1. Amend Section 1 of the proposed Supplemental Appropriation Ordinance (File 101-89-36) to reduce the \$53,213 amount requested for Permanent Salaries by a total of \$16,924 to \$36,289 and reclassify \$13,407 as Temporary Salaries as follows:

	Original Appropriation Requested	Budget Analyst Recommends	Increase (Decrease)
<u>Permanent Salaries</u>			
1408 Principal Clerk	\$22,302	\$21,166*	\$(1,136)
1630 Account Clerk	17,504	15,123 *	(2,381)
1630 Account Clerk	7,047	0**	(7,047)
1720 Data Entry Operator	<u>6,360</u>	<u>0**</u>	<u>(6,360)</u>
	\$53,213	\$36,289	\$(16,924)
<u>Temporary Salaries</u>			
1630 Account Clerk	0	\$7,047**	\$7,047
1720 Data Entry Operator	<u>0</u>	<u>6,360**</u>	<u>6,360</u>
	0	\$13,407	\$13,407

\* Allows funding for 18.4 biweekly pay periods as discussed in Comment 2, above.

\*\* Reclassifies Permanent Salaries to Temporary Salaries for four months as discussed in Comments 1 and 2, above.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Also, amend Section 1 of the proposed Supplemental Appropriation Ordinance to reduce the amount requested for Retirement (to correspond to the reductions in Permanent Salaries recommended above) by \$4,409 from \$12,143 to \$7,734. The net result of these amendments would be to reduce the proposed Supplemental Appropriation Ordinance by \$7,926 from \$138,946 to \$131,020.

2. Amend Section 2 of the proposed Supplemental Appropriation Ordinance as discussed in Comment 1 above, as follows:

	<u>Original Positions Requested</u>	<u>Budget Analyst Recommends</u>
1408A Principal Clerk	1	1
1630A Account Clerk	2	1
1720A Data Entry Operator	<u>1</u>	<u>0</u>
Total	4	2

3. Amend the proposed ordinance to amend the Annual Salary Ordinance (File 102-89-14) to include the full title of Principal Clerk for classification 1408A.

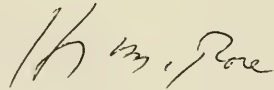
4. Approve the proposed ordinances as amended.



Memo to Finance Committee  
October 4, 1989

Items 14 through 19 - Files (various)

The proposed ordinances and resolution authorizing settlements of litigation are legal matters under the responsibility of the City Attorney's Office. The Budget Analyst does not normally review and report on such items.



Harvey M. Rose

cc: Supervisor Walker  
Supervisor Ward  
Supervisor Hallinan  
President Britt  
Supervisor Alioto  
Supervisor Gonzalez  
Supervisor Hongisto  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Nelder  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Carol Wilkins  
Stacy Becker  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



SF  
590.25  
#2  
10/11/89

Actions  
Taken

CALENDAR  
MEETING OF  
FINANCE COMMITTEE

Board of Supervisors  
City and County of San Francisco

WEDNESDAY, OCTOBER 11, 1989 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN

CLERK: GREG HOBSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll-call vote of the committee. There will be no separate discussion of these items unless a member of the committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:

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- a) File 25-89-25. [Contracting Out] Resolution concurring with the Controller's certification that uniformed security services can be practically performed for the Public Utilities Commission by a private contractor for a lower cost than similar work services performed by City and County employees. (Public Utilities Commission)
- b) File 25-89-26. [Contracting Out] Resolution concurring with the Controller's certification that employment and vocational services for the Independent Living Skills Project can be practically performed at the Department of Social Services by private contractor for lower cost than similar work services performed by City and County employees. (Dept. Social Services)
- c) File 25-89-27. [Contracting Out] Resolution concurring with the Controller's certification that coordination and mentor services for the Independent Living Skills Project can be practically performed at the Department of Social Services by private contractor for lower cost than similar work services performed by City and County employees. (Dept. Social Services)
- d) File 172-89-6. [Lawsuit] Resolution authorizing Tax Collector Attorney to Institute legal proceedings for the recovery of value of services rendered at hospital facilities operated by the San Francisco Department of Public Health. (Treasurer)

ACTION: RECOMMENDED.

REGULAR CALENDAR

2. File 118-89-3. [Medical Liens] Ordinance amending Article 3 of the San Francisco Health Code by amending Section 124.4 to delete provisions relating to medical liens for services before 1966. (Supervisor Kennedy)

(Cont'd from 10/4/89)

ACTION: RECOMMENDED.

3. File 97-89-12. [Credit Cards] Ordinance amending the San Francisco Administrative Code by adding Section 10.11-1 thereto authorizing officers, boards and commissions of the City and County of San Francisco to accept payments by credit cards. (Supervisor Kennedy)

(Cont'd from 10/4/89)

ACTION: CONTINUED TO OCTOBER 25, 1989, MEETING.

4. File 127-89-2. Hearing to consider applicability of hotel tax to residential hotels. (Supervisor Kennedy)

(Cont'd from 10/4/89)

ACTION: CONTINUED TO THE CALL OF THE CHAIR.

5. File 107-89-10. [License of Real Property] Resolution authorizing license to use real property located at 277 Golden Gate Avenue for the Department of Social Services, accept gift of the use of real property and authorize hold harmless provision. (Supervisor Walker)

(Cont'd from 9/27/89)

ACTION: CONTINUED TO OCTOBER 18, 1989, MEETING.

6. File 101-89-29.1. [Government Funding] Appropriating \$35,160 for permanent salaries and related mandatory fringe benefits, and uniforms, for the creation of one (1) position, Sheriff for fiscal year 1989-90. (Finance Committee) (COMPANION TO FILE 102-89-11.1)

(Cont'd from 10/4/89)

ACTION: AMENDED. RECOMMENDED AS AMENDED. Reduce to \$34,276. AMENDED. TITLE: "Appropriating \$34,276 for permanent salaries and related mandatory fringe benefits and uniforms, for the creation of one (1) position, Sheriff for fiscal year 1989-90."

7. File 102-89-11.1. [Public Employment] Amending Ordinance No. 273-89 (Annual Salary Ordinance, 1989/90) reflecting the addition of one (1) position in the Sheriff's Department. (Finance Committee) (COMPANION TO FILE 101-89-29.1)

(Cont'd from 10/4/89)

ACTION: RECOMMENDED.

8. File 84-89-4. [Acquisition of Property] Resolution authorizing acquisition of City and County of San Francisco Assessor's Parcel Block 700, Lot 22 (Japanese Peace Plaza). (Real Estate Dept.)

ACTION: RECOMMENDED.

9. File 101-89-21. [Government Funding] Ordinance appropriating \$12,000,000, Department of Public Works, for capital improvement projects (street reconstruction and renovation and new safety projects). (Controller) RO #9053

ACTION: CONTINUED TO OCTOBER 18, 1989, MEETING.

10. File 101-89-32. [Government Funding] Ordinance appropriating \$99,390, Controller - Audits, for permanent salaries-miscellaneous and rescinding \$99,390 from permanent salaries-miscellaneous for the creation of four (4) positions (Classifications (3) 1805 Associate Performance Auditor and (1) 1801 Supervising Performance Auditor), and deletion four (4) positions (Classifications (3) 1823 Senior Administrative Analyst and (1) 1824 Principal Administrative Analyst). (Controller) RO #9083 (COMPANION TO THE FOLLOWING FILE)

ACTION: RECOMMENDED.

11. File 102-89-13. [Public Employment] Ordinance amending Annual Salary Ordinance, 1989-90, Controller's Office, reflecting the addition of four (4) positions (Classifications (3) 1805 Associate Performance Auditor and (1) 1801 Supervising Performance Auditor), and deletion four (4) positions (Classifications (3) 1823 Senior Administrative Analyst and (1) 1824 Principal Administrative Analyst). (Civil Service Commission) (COMPANION TO THE PRECEDING FILE)

ACTION: RECOMMENDED.

12. File 97-89-41. [Municipal Railway Graffiti Fund] Ordinance amending Chapter 10 of the San Francisco Administrative Code by adding Section 10.114-2, relating to the establishment and administration of a Municipal Railway Graffiti Fund. (Public Utilities Commission)

ACTION: AMENDED. RECOMMENDED AS AMENDED. On Page 2, add a subsection (f) to read: "Quarterly Reports to Board of Supervisors. The General Manager of the Municipal Railway shall submit to the Board of Supervisors and the Budget Analyst on a quarterly basis written reports of revenues to and expenditures from the Municipal Railway Graffiti Fund during the quarterly period covered by the report."

13. File 101-88-91.2. Requesting release of reserved funds, Public Library, in the amount of \$275,000, for new Main Library Environmental Impact Report and for Department of Public Works preliminary architecture and engineering work on the branch libraries. (Public Library)

ACTION: RELEASE OF \$100,000 APPROVED; FILED. (Notation for legislative history as requested by Finance Committee that representative from Public Library stated: "that no funds earmarked from bond issue for proposed new main library will be used for branch libraries.")

14. File 101-89-34. [Government Funding] Ordinance appropriating \$11,366,423, Public Library for various capital improvement project (1988 Public Library Facilities System Improvement Bonds), for the creation of one position (Classification 3634 Librarian III); placing in reserve \$3,692,062 as recommended by the Mayor's Office. (Controller) RO #9071 (COMPANION TO THE FOLLOWING FILE)

ACTION: AMENDED. RECOMMENDED AS AMENDED. Place an additional reserve of \$248,215; \$175,000 earmarked for Bureau of Architecture, \$45,000 pending Issuance of an RFP for the Independent project monitoring services and \$28,215 for miscellaneous costs to be released by the Finance Committee. AMENDED TITLE: "Appropriating \$11,366,423 for various capital improvement projects (1988 Public Library Facilities System Improvement Bonds), for the creation of (1) position, placing in reserve \$3,692,062 as recommended by the Mayor's Office, Public Library for fiscal year 1989-90; and placing an additional reserve of \$248,215."

15. File 102-89-10. [Public Employment] Ordinance amending Annual Salary Ordinance, 1989-90, Public Library, reflecting the addition of one (1) positions (Classification 3634 Librarian III). (Civil Service Commission) (COMPANION TO THE PRECEDING FILE)

ACTION: RECOMMENDED.

CLOSED SESSION

16. File 48-89-11. [Settlement of Claim] Resolution approving the settlement of the unlitigated claim of David and Michael Yancey in an amount not to exceed \$37,000.

ACTION: RECOMMENDED.

17. File 48-89-9. [Settlement of Claim] Resolution approving the settlement of the unlitigated claim of Ernest D. Sprague by payment of \$6,000. (City Attorney)

ACTION: RECOMMENDED.

18. File 48-89-10. [Settlement of Claim] Resolution approving the settlement of the unlitigated claim of Mr. and Mrs. Melvin Tidyman by payment of \$6,000. (City Attorney)

ACTION: RECOMMENDED.

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CITY AND COUNTY



Public Library, Document Dept.

ATTN: Henry Roth  
OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 552-9292

October 6, 1989

**TO:** Finance Committee  
**FROM:** Budget Analyst  
**SUBJECT:** October 11, 1989 Finance Committee Meeting.

DOCUMENTS DEPT.

OCT 17 1989

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Item 1a - File 25-89-25

**Department:** Public Utilities Commission

**Proposed Action:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-I (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Uniformed Security Guard Services provided at seven MUNI maintenance facilities to protect against vandalism of buses and to provide security for collection of bus fare revenue.

**Description:** The Controller has determined that contracting for these security guard services in fiscal year 1989-90 would result in estimated savings as follows:



	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City Operated Service Cost</u>		
Salaries and Fringe Benefits	\$1,007,584	\$1,150,647
Operating Expenses	<u>4,830</u>	<u>4,830</u>
Total	\$1,012,414	\$1,155,477
<u>Contracted Service Cost</u>	<u>514,490</u>	<u>514,490</u>
<u>Estimated Savings</u>	\$497,924	\$640,987

**Comments:**

1. Security guard services were first certified as required by Charter Section 8.300-1 in 1983 and have been provided by an outside contractor since 1975.
2. Burns International Security Services Inc., the current contractor, has provided these contract security services since 1984. The contracted service cost used for the purpose of this analysis is an informal bid from the current contractor.
3. The Controller's supplemental questionnaire with the department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.



CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

Department Public Utilities Commission For time Period FY 1989-90

Contract Services Uniformed Security Services

- 1) Who performed services prior to contracting out?

These services have always been performed through an outside contract.

- 2) Number of City employees laid off as a result of contracting out?

None

- 3) Explain disposition of employees if they were not laid off.

N/A

- 4) What percent of City employee's time is spent on services to be contracted out?

N/A

- 5) How long have the services been contracted out?

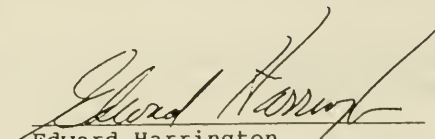
Since 1975 (14 years).

- 6) What was the first fiscal year for a Proposition J Certification?

FY 83/84

- 7) How will contract services meet the goals of your MBE/WBE Action Plan?

It will conform with the plan.

  
Edward Harrington  
Assistant General Manager  
Finance

Finance Bureau

Telephone: 923-2560



Item 1b - File 25-89-26

**Department:** Department of Social Services

**Proposed Action:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can be practically performed at the Department of Social Services by private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Coordination and mentor services to be provided to approximately 100 adolescents (ages 16-19) participating in the Independent Living Skills Project. These services include the recruitment and training of adult volunteers to serve as mentors (counselors) to the adolescents and the recruitment and enrollment of the adolescents in various support services (i.e. tutorial and job training).

**Description:** The Controller has determined that contracting for these coordination, and mentor services in fiscal 1989-90 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City Operated Service Cost</u>		
Sr. Child Welfare Worker (1.0 FTE)	\$38,584	\$ 46,800
Fringe Benefits	<u>10,257</u>	<u>12,128</u>
Total	\$48,841	\$ 58,928
<u>Contracted Service Cost</u>	<u>42,000</u>	<u>42,000</u>
<u>Estimated Savings</u>	\$ 6,841	\$16,928

**Comments:** 1. The above mentioned services were first certified as required by Charter Section 8.300-1 in September, 1989 and have been provided by an outside contractor since December, 1988.

2. The Controller's supplemental questionnaire with the Department's response including the MBE/WBE status, of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



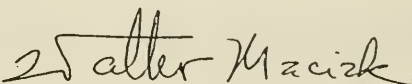
CHARTER 8.300-1 PROPOSITION J QUESTIONNAIRE

Department 45- Social Services

For Time Period FY 1989/90

Contract Services Coordination/Mentor Services

1. Who performed services prior to contracting out?  
Service contracted out since program established.
2. Number of City employees laid off as result of contracting out?  
None
3. Explain disposition of employees if they were not laid off.  
n/a
4. What percent of a City employee's time is spent on services to be contracted out?  
None
5. How long have the services been contracted out?  
1 year
6. What was the first fiscal year for a Proposition J Certification?  
1989-1990
7. How will contract services meet the goals of your MBE/WBE Action Plan?  
It will conform to plan. RFQ conducted.



Walter Maciak, Contract Manager  
Department Representative

557-5581

Telephone Number

(#3021P)



Item 1c - File 25-89-27

**Department:** Department of Social Services

**Proposed Action:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can be practically performed at the Department of Social Services by private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Employment and Vocational Services to be provided to approximately 80-100 adolescents (ages 16-19) who are participants in the Independent Living Skills Project. These services include educational and vocational assessment, training to prepare for job application, and assistance in finding internship positions and other job opportunities.

**Description:** The Controller has determined that contracting for these employment and vocational services in fiscal 1989-90 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City Operated Service Cost</u>		
Employment and Training		
Specialist II (1.0 FTE)	\$36,088	\$ 43,732
Fringe Benefits	<u>9,687</u>	<u>11,429</u>
Total	\$45,775	\$ 55,161
<u>Contracted Service Cost</u>	<u>42,000</u>	<u>42,000</u>
<u>Estimated Savings</u>	\$ 3,775	\$13,161

**Comments:**

1. The above mentioned services were first certified as required by Charter Section 8.300-1 in September, 1989 and have been provided by an outside contractor since December, 1988.
2. The Controller's supplemental questionnaire with the Department's response including the MBE/WBE status, of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



CHARTER 8.300-1 PROPOSITION J QUESTIONNAIRE

Department 45- Social Services

For Time Period FY 1989/90

Contract Services Employment and Vocational Services

1. Who performed services prior to contracting out?

Service contracted out since program established.

2. Number of City employees laid off as result of contracting out?

None

3. Explain disposition of employees if they were not laid off.

n/a

4. What percent of a City employee's time is spent on services to be contracted out?

None

5. How long have the services been contracted out?

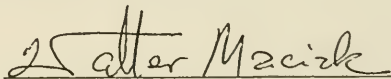
1 year

6. What was the first fiscal year for a Proposition J Certification?

1989-1990.

7. How will contract services meet the goals of your MBE/WBE Action Plan?

It will conform with the plan. RFQ conducted.



Walter Maciak, Contract Manager  
Department Representative

557-5581

Telephone Number

(#3021P)



Item 1d - File 172-89-6

**Department:** Tax Collector and Department of Public Health (DPH)

**Item:** Resolution to recover unpaid services

**Amount:** \$117,800.16

**Description:** The proposed resolution would authorize the Attorney for the Tax Collector to begin legal proceedings to recover \$117,800.16 for unpaid services rendered by San Francisco General Hospital to one patient. The Attorney for the Tax Collector reports that this resolution pertains to recovering monies from the spouse of the patient. The patient received care at San Francisco General Hospital but did not pay for the care.

State Welfare and Institutions Code Section 17300 requires that the Attorney for the Tax Collector receive authorization by the county governing board before legal proceedings may be instituted against the responsible relative of a patient receiving medical assistance at county expense. The account number and amount involved is as follows:

<u>Account No.</u>	<u>Amount</u>
SFGH 00960536-1	\$117,800.16

The Tax Collector's Office reports that the files of its Bureau of Delinquent Revenue reflect that at the time of the hospitalization and at the present time, the responsible relative named was and is financially able to pay for these unpaid hospital bills.

**Recommendation:** Approve the proposed resolution.

BOARD OF SUPERVISORS  
BUDGET ANALYST



Item 2 - File 118-89-3

**Note:** This item was continued at the October 4, 1989 Finance Committee meeting.

1. The proposed ordinance would delete certain provisions of Health Code Section 124.4 relating to the release of liens imposed prior to July 13, 1966 for the cost of medical services.

2. As currently worded, Health Code Section 124.4 requires that the Board of Supervisors act on each lien release covered by the section. Ms. Sharon Kennison, Assistant Administrator for Patient Finance at San Francisco General Hospital, states that the proposed ordinance is designed to eliminate the involvement of the Board of Supervisors in this process, allowing these liens to be handled by the Bureau of Delinquent Revenue (BDR) in the Tax Collector's Office.

3. Mr. Robert Fletcher, Attorney for the Tax Collector, states that his office is responsible for all aspects of collection of liens arising after July 13, 1966, under authority of the Administrative Code designating the Tax Collector as collection agent for these matters. Mr. Fletcher's interpretation of the proposed amendment is that authority to deal with all liens for medical services, regardless of when they were rendered, would rest with his office. Mr. Fletcher believes this proposed ordinance, if enacted, would relieve some administrative burden from the Tax Collector's Office by eliminating the need to request from the Board of Supervisors release of pre-1966 liens .

**Comment**

Approval of the proposed ordinance would remove the authority of the Board of Supervisors to approve individual lien releases.

**Recommendation**

Relinquishing authority vested in the Board of Supervisors is a policy decision for the Board.



Item 3 - File 97-89-12

**Note:** This item was continued by the Finance Committee at its meeting of October 4, 1989.

1. The proposed ordinance would amend the Administrative Code by adding Section 10.11-1, authorizing all officers, boards and commissions of the City to accept payment of fees and other charges by credit card for services provided by the City. Credit card payments would have to be made in person and not by telephone or mail, and would only be accepted for payments of \$10 or more.

2. According to the City Attorney, California Government Code Section 6159 authorizes cities to accept credit cards for certain types of payments, including the deposit of bail or fines for parking tickets or misdemeanors, for payment of car towage or storage fees resulting from parking violations, or for payment of other charges or fees for services rendered by the City. Section 6159 does not permit the use of credit cards for making other payments, such as property or payroll taxes.

**Comments**

1. The attached report, prepared by the City's Treasurer, provides a summary of some of the advantages and disadvantages of the proposed ordinance. The advantages include convenience to the payor, a possible reduction in bad checks received, and quicker deposit of funds to the City's accounts. The disadvantages include payment delays involving disputed charges, the need to set aside City funds to pay bank service fees and therefore a reduction in funds available for investment, the need for training for employees involved with credit card payments, and the need for additional administrative time to reconcile disputed charges.

2. The Treasurer reports that the credit card discount fee, which is the monthly charge for credit card transaction processing, would cost the City approximately two percent of the credit card charges. Additional monthly bank charges include account maintenance, computer terminal rental, computer time, and fees for deposits, couriers and balance reports. The Treasurer indicates that the actual monthly costs to the City would depend on the dollar amount and the number of credit card transactions, and the Treasurer is unable to provide an estimate of the actual costs to the City without this information.

3. The Treasurer advises that the proposed legislation should require City departments to obtain approval of the Treasurer prior to establishing systems for credit card payment. The Treasurer indicates that this additional requirement would allow the Treasurer to ensure that credit card payments would be cost-effective for the department requesting the system. The Budget Analyst concurs with the Treasurer that new credit card payment systems should be approved by the Treasurer.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



4. Article X, Section 10.57A of the Administrative Code currently authorizes the Municipal Court and the Police Department to accept credit card payments for bail for misdemeanor offenses and for traffic fines. According to Mr. Tom Carrick of the Treasurer's Office, the Municipal Court collects approximately \$90,000 to \$100,000 per month in traffic fines and misdemeanor bail payments, from which approximately \$1,800 to \$2,000 is deducted for the bank's discount fee. Other monthly charges total approximately \$2,000. If these traffic fine and misdemeanor bail payments were paid in cash or by check, the City could have realized an additional approximately \$4,000. The experience of the Municipal Court may or may not represent the experience of other City departments, should credit card payments be authorized City-wide.

#### Recommendation

Approval of the proposed ordinance, which would provide a convenience to the public at an indeterminable cost to the City, is a policy matter for the Board of Supervisors. If the Board approves the proposed ordinance, amend the legislation to require that departments receive approval of the Treasurer prior to the establishment of a new credit card payment system.



Proposed legislation for accepting payment by credit card for services rendered by the City and County of San Francisco.

There is proposed legislation by Supervisor Kennedy which would allow City and County departments to accept payment by credit card for services rendered. The minimum acceptable payment is \$10.00.

In reviewing this legislation and the possible effects on the City and County, especially the Treasurer's Office, there are some advantages and many disadvantages associated with this legislation.

#### Advantages

- A. Convenience to payor. Payor can pay by credit card rather than carry cash.
- B. A possible reduction in bad checks issued. This advantage is offset somewhat by a disadvantage indicated below. (Disadvantage B)
- C. If the department(s) use an electronic terminal, similar to the current Municipal Court traffic citation/bail system, each payment would be immediately credited to the City's account at time of transaction. This would eliminate the delay in deposit of funds. Also no float would be involved in a deposit. However, if a manual system is employed, there would be a delay in deposit of transaction slips, but with no float involved.

#### Disadvantages:

- A. Under Federal law, when a credit card holder disputes an item on the credit card statement, the bank will remove the item and chargeback the merchant (City and County of San Francisco) the item purchase price plus interest from the date of posting to date of chargeback.

Should this occur, an individual who has made payment by credit card can dispute the charge on the monthly statement and the bank will reduce the merchant's account by the disputed account plus interest. If this happened to a city's account, the payor could be long gone before the department could recover the deducted funds from the payor. This disadvantage partially reduces Advantage B above.

- B. If a credit card system is implemented, either an electronic or manual system, funds will be placed in a City designated bank account which will require a compensating balance or direct payment for services provided by the bank. As a result, the funds used to pay the bank cost will not be available for investment purposes, therefore reducing investment income.



- C. In using a credit card payment system, the bank charges the merchant a discount fee for the processing of the credit card transaction. The current rate charged by Security Pacific National Bank for processing the Muni Court's transactions is 1.77%. Note: If a manual system was in place, the rate would be over 2%. This fee is charged on the monthly bank statement as a debit to the account.

As a result of this fee, revenues of the City and County would be reduced by the amount of the fee (at least 1 - 2%). As the fee rate increases and transaction volume, the more revenues will be lost to the city.

- D. Additional costs will be incurred with the selection of either an electronic or manual system.

Costs are as follows:

<u>Service</u>	<u>Electronic</u>	<u>Manual</u>
1. Account Maintenance (per month)	\$ 13.00	\$ 13.00
2. Branch deposit (per deposit)	1.25	1.25
3. Debits (per item)	.12	.12
4. Balance report (per month)	75.00	75.00
5. Connect time (per minute)	.3333	.3333
6. Computer printed item (per item)	.20	.20
7. FDIC (per collected balance)	.058%	.058%
8. Terminal rental (per terminal)	50.00	50.00
9. Courier (per month)	100.00 +	100.00 +

The actual cost per month will depend on transaction volume or collection balance.

- E. Should this legislation be law, there is the question as to which departments will decide to accept this type of payment. Of those that do, they will have to be advised that:
1. Their designated staff will have to be fully trained in the preparation and completion of the transaction sales slips. Payment by credit card will take longer than by check or cash as bank authorization for each transaction must be obtained and transaction slip completed.
  2. New reconciliation procedures to conform with Treasurer's Office and Controller reporting and reconciling requirements.
  3. Avoid the experience of Municipal Court in dealing with credit card transactions both with manual and electronic systems.



4. Under state law, the payment of Real Estate taxes cannot be accepted by credit card. However, as a state law, it could be changed.

F. Should any city department decide to accept credit card payments, they should:

1. Receive approval from the Treasurer's Office and Controller prior to accepting credit card payments.
2. Require that the minimum credit card transaction be \$100.00. Unless the transaction dollar volume is able to cover the city's bank charges through analysis, additional funds will have to be placed in the account for a period of time to maintain sufficient balances for analysis requirements. As a result, these additional funds will not be available for investment purposes.

NOTE: The above request will allow the Treasurer and Controller to review and determine if this method of payment is feasible and cost effective.

G. Changes in the Treasurer's Office:

1. Possible new reconciliation headaches.
2. Bidding process for selection of bank to process credit card transactions.
3. A drop of 1 - 2% in revenue due to the discount fee charged by the bank. This fee is automatically deducted from the account based on the prior month's activity.



Item 4 - File 127-89-2

**Note:** This item was continued by the Finance Committee at its meeting of October 4, 1989.

1. Hearing to consider applicability of hotel tax to residential hotels.

2. Municipal Code Article 7 - Sections 502, 502.5 and 502.6 provides for the imposition of a tax totaling 11 percent on the rate charged to occupy a guest room in a hotel in the City. A hotel is defined as any structure or portion of a structure including any lodging house, rooming house, dormitory, Turkish bath, bachelor hotel, studio hotel, motel, auto court inn, public club, or private club containing guest rooms which are occupied or intended to be occupied by guests.

3. Section 504 stipulates that the hotel tax is to be collected from the occupant of the guest room at the same time that the hotel rent is collected except for the following exemptions outlined in Section 506: (1) the occupant is a permanent resident, (2) the occupant is associated with a corporation or association that is exempt from income taxation or (3) where the rent at the hotel is less than twenty dollars a day or \$85 per week.

4. A "permanent resident" is defined as any occupant who has occupied or has the right to occupancy of any guest room in a hotel for at least 30 consecutive days. According to the Tax Collectors' interpretation, hotel occupants are considered transients and therefore subject to the tax unless they have clearly established a right of occupancy for at least thirty days through the advance payment of 30 days rent or have signed a long term lease in excess of 30 days, thereby qualifying them for "permanent resident" status. The Tax Collector reports that if a hotel occupant qualifies for "permanent resident" status, they are not subject to any tax payment.

5. Mr. Richard Sullivan of the Tax Collector's Office reports that a total of 752 hotels in the City are currently subject to the hotel tax. These hotels are a combination of non-residential hotels (all occupants are transient) and residential hotels (occupants include permanent residents as well as transients). For fiscal year 1988-89, the City collected a total of \$65,219,006 in revenue from the hotel tax. The Tax Collector is unable to provide, at this time, that portion of the hotel tax revenue that is attributable to residential hotels.

6. Mr. Gene Porter of the Bureau of Building Inspection reports that currently there are approximately 500 residential hotels in the City which house approximately 18,751 permanent residents and 4,640 transients. Of the 500 hotels, approximately 327 hotels are occupied by permanent residents on an ongoing basis, with the possibility of limited occupancy by transients during summer months. The remaining 173 hotels are occupied by a combination of permanent residents and transients on an ongoing basis. The Tax Collector reports that this latter category constitutes the primary source of hotel tax revenue collected from residential hotels.



Item 5 - File 107-89-10

**Note:** This item was continued by the Finance Committee at its meeting of September 27, 1989.

**Department:** Real Estate  
Department of Social Services

**Item:** Resolution authorizing a license to use real property, accepting a gift of the use of real property and authorizing a hold harmless provision.

**Description:** The proposed resolution would (1) authorize the City to enter into a license agreement with Hastings College of Law for the use of approximately 8,500 square feet of building space at 277 Golden Gate Avenue. (This vacated building was previously used by the KGO Television Station); (2) authorize the City to accept the use of this building space as a gift from Hastings College of Law and (3) authorize a hold harmless provision which limits the extent to which Hastings College of Law would be liable with respect to loss, damage or injury surrounding the City's use of the property. The term of the license agreement would commence September 15, 1989, or as soon thereafter as this proposed resolution is approved by the Board of Supervisors, and would terminate June 30, 1990. After June 30, 1990, this license could be extended on a month-to-month basis by Hastings College of Law with the concurrence of the Director of Property.

The Department of Social Services is proposing to use the building at 277 Golden Gate Avenue to provide an overnight shelter and daytime social service programs (i.e. counseling, referral, drop-in) to homeless persons in San Francisco. Ms. Carla Javits of the Department of Social Services (DSS) reports that DSS is in the process of preparing an RFP to acquire a contractor to operate the overnight shelter and provide the social service programs. It is anticipated that the RFP will be issued within the first two weeks of October, 1989.

According to Ms. Javits, DSS plans to submit a supplemental appropriation request to the Board of Supervisors in order to fund this program for the homeless. As of the writing of this report, DSS was unable to provide an estimate of the number of persons to be served by this program or the cost to fund the program.



**Comments:**

1. Mr. Tony Delucchi, Director of Property, anticipates that the license agreement between the City and Hastings College of Law will be fully negotiated by October 6, 1989.

2. As of the writing of this report, DSS has not provided complete information as to the number of persons served or the costs of the proposed program. Therefore, the Budget Analyst is unable to make a recommendation at this time.

3. Ms. Javits reports that DSS intends to request a one week continuance of this item to the October 18, 1989 meeting of the Finance Committee.

**Recommendation:** Continue the proposed resolution for one week as requested by the Department of Social Services.



Items 6 and 7 - Files 101-89-29.1 and 102-89-11.1

**Note:** The Finance Committee approved the creation of two new Deputy Sheriff positions and the corresponding funding for the two new deputies and for overtime on October 4, 1989. The proposed request was severed from the items creating the two deputy positions at that time.

**Department:** Sheriff

**Items:** File 101-89-29 - Supplemental Appropriation Ordinance to increase the Sheriff's 1989-90 budget for Permanent Salaries, Mandatory Fringe Benefits and Uniforms to increase security services provided to the Youth Guidance Center (YGC).

File 102-89-11 - Ordinance to amend the Annual Salary Ordinance to create one new permanent Sheriff's Sergeant position in the Sheriff's Department to provide security services at YGC.

**Amount:** \$35,160

**Source of Funds:** General Fund - General Reserve

**Description:** The Sheriff's Office has provided security services at the entrance to YGC since January 6, 1989, by assigning a Deputy Sheriff on overtime. Beginning August 1, 1989, a second Deputy was assigned to YGC, also on overtime. Although the need for security at YGC is an ongoing need, no additional funding has been provided in the Sheriff's budget for these new duties. Therefore, the Sheriff proposed the creation of three permanent positions and funding for overtime and uniforms.

In order to have a fully operational and independent security unit at YGC, the Sheriff's Office proposed creating two new Deputy Sheriff positions to provide permanent security staff at YGC rather than assigning different Deputies on overtime each day. The Sheriff's Office also proposed the creation of one new Sheriff's Sergeant position to provide on-site supervision, back up and full coverage when a Deputy is absent. Having an independent security unit at YGC would result in improved security because the Sergeant and Deputies permanently assigned at YGC would become familiar with the situations and problems at YGC and the solutions and remedies necessary. As noted above, on October 4, 1989, the Finance Committee recommended approval of two of the three requested positions (two Deputy Sheriff positions) and severed the third position, a Sheriff's



Sergeant position for separate consideration which is the subject of this report.

The proposed ordinance to amend the Annual Salary Ordinance (File 102-89-11.1) would create one new 8308 Sheriff's Sergeant position (to be classified at a future meeting of the Civil Service Commission). The biweekly salary for the proposed Sheriff's Sergeant is \$1,443-1,748 and the annual salary at the top step is \$45,448.

The proposed Supplemental Appropriation Ordinance (File 101-89-29.1) would fund the new Sheriff's Sergeant position for 18.4 biweekly pay periods from October 17, 1989, through June 30, 1990, and uniform costs, as follows:

Permanent Salaries

1 - 8308 Sheriff's Sergeant (Step 4) \$30,655

Mandatory Fringe Benefits 2,005

Uniforms 2,500

Total \$35,160

**Comment:** The earliest the proposed ordinances can be finally approved is October 23, 1989. Therefore, the Budget Analyst is recommending reducing the amount requested for Permanent Salaries and Mandatory Fringe Benefits to reflect that delay.

**Recommendation:** 1. Approve the proposed ordinance to amend the Annual Salary Ordinance (File 102-89-11.1).

2. Amend the proposed Supplemental Appropriation Ordinance (File 101-89-29.1) to reflect delayed hiring of the new position, as follows:

	Original Appropriation Requested	Budget Analyst Recommends	Increase (Decrease)
Permanent Salaries	\$30,655	\$29,825	\$(830)
Retirement	460	434	(26)
Social Security	445	420	(25)
Health Service	1,039	1,039	0
Unemployment Insurance	61	58	(3)
Uniform	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Total	\$35,160	\$34,276	(884)

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
October 11, 1989

Approve the proposed Supplemental Appropriation  
Ordinance as amended.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 8 - File 84-89-4

- Department:** Real Estate Department  
Recreation and Park Department
- Item:** Resolution authorizing acquisition of property for Open Space purposes.
- Location:** Assessor's Parcel Block 700 Lot 22 (Japanese Peace Plaza) bounded by Post and Geary Streets on the north and south and located in the middle of the block between Webster and Laguna Streets (see attached map).
- Property Description:** The property contains approximately 25,942 sq.ft. of space
- Proposed Purchase Price:** \$110,676 plus \$6,000 for title and escrow fees for a total of \$116,676.
- Source of Funds:** Open Space Acquisition and Renovation Fund
- Comments:**
1. The assessed valuation of the property to be acquired is \$106,120. Based on the 1989-90 tax rate of \$1.09 per \$100 of assessed valuation the taxes paid to the City total \$1,156 annually.
  2. The property is a portion of the A-1 Western Addition Redevelopment area. As such, it is under the Redevelopment Agency and HUD's planning jurisdiction and is not governed by the Department of City Planning nor subject to the Planning Code and the Eight Priority Policies of Section 101.1. The Redevelopment Agency and HUD will maintain planning jurisdiction over this property until the year 2005, at which time the Department of City Planning will assume planning control of the site. The proposed acquisition of the property for the Recreation and Park Department's Open Space Program is consistent with the Redevelopment Agency's plan to maintain the property as open space.
  3. The Recreation and Park Department reports that acquisition of the property is in conformity with the Recreation and Open Space Element of their Master Plan.
  4. The Real Estate Department reports that the proposed purchase price of \$116,676 represents the fair market value of the property.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
October 11, 1989

**Recommendation:** Approval of the proposed resolution to acquire property for open space purposes is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS  
BUDGET ANALYST



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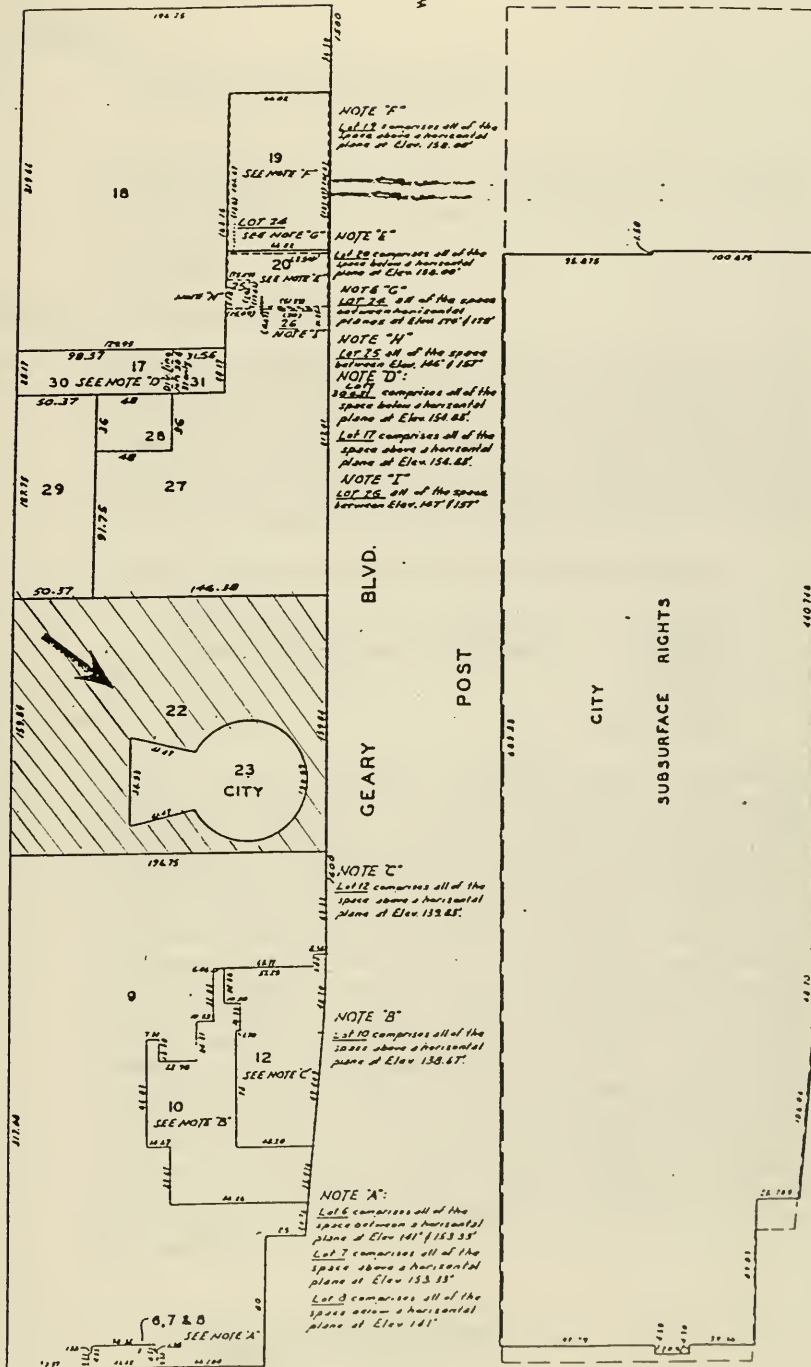
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GEARY

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This title Insurance Company of California  
 THIS MAP IS FOR REFERENCE PURPOSES ONLY  
 AND IS NOT A PART OF ANY TITLE EVIDENCE.



Item 9 - File 101-89-21

**Department:** Department of Public Works (DPW)

**Item:** Supplemental Appropriation Ordinance for Capital Improvement Projects (street reconstruction and renovation and new safety projects) for Fiscal Year 1989-90.

**Amount:** \$12,000,000

**Source of Funds:** 1987 Street Improvement Bonds

**Description:** The proposed Supplemental Appropriation Ordinance would authorize DPW to spend \$12 million from bonds that were sold on June 7, 1989. The June 7 General Obligation bond issuance is the second of two bond sales totalling \$27 million, which San Francisco voters approved in 1987, and will be used for street reconstruction, asphalt plant improvements and street and pedestrian traffic safety programs.

DPW proposes to use the bond funds for the following:

Street reconstruction and renovation	\$9,637,569
Asphalt plant improvement work	1,362,431
New safety projects	<u>1,000,000</u>
<b>TOTAL</b>	<b>\$12,000,000</b>

Street reconstruction and renovations will be scheduled according to priorities assigned by DPW's Pavement Management System. Specific proposed projects, with preliminary cost estimates, are listed in the Attachment. DPW staff were unable to provide specific cost details for the proposed projects listed, because they have not begun engineering and design work for each project. Specific cost estimates include estimates for design and engineering work, construction, and contingencies. DPW also reports that the projects on the list will be funded with State and Federal sources in addition to the bond funds. The State and Federal sources include Five-Year Federal Aid Urban System funds and State funds pursuant to 1988 Senate Bill 140 which pledged \$300 million in State matching funds for local roadway improvements. To date, the State has not identified a source of monies to fund the provisions of SB140. DPW has applied for \$11 million in SB140 funds. As of the writing of this report, DPW has not identified specific funding sources for each project.

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The street reconstruction and renovation projects will be divided into contracts valued between \$500,000 to \$1 million per contract. The contracts will be bid competitively and subject to Human Rights Commission MBE/WBE requirements.

As part of the asphalt plant renovation work, DPW proposes to replace obsolete machinery in order to increase efficiency and reduce air pollution emissions, construct an air conditioned control room to protect employees from inhalation of dust produced by the plant, and convert existing electrical sensors, which are used for measuring the various asphalt ingredients, to digital sensors. DPW reports that the improved machinery and technology change will allow the elimination of one staff position at the asphalt plant. The position, a 7424 Dryer/Mixer Operator, will be removed from the Department's 1990-91 budget according to Rich Cunningham, Superintendent for Street and Sewer Repair at DPW. Asphalt from the plant will be used for City facilities only. DPW has not solicited specific bid estimates for the equipment and renovations, but anticipates that the actual cost will not exceed the estimated cost of \$1,362,431 requested.

Funding for new safety projects include \$200,000 for pedestrian safety measures at 19th and Holloway Streets, \$400,000 for construction of the Mission Street Pedestrian overpass, and \$400,000 for construction of the Islais Creek Interchange along Interstate Highway 280. DPW has specifically allocated the \$400,000 for the Islais Creek Interchange as part of the local match required for receipt of CalTrans funding on the project. In addition, \$200,000 has been allocated from existing appropriated bond funds for installation of signals, striping and islands at the intersection of Portola, O'Shaughnessy and Woodside Streets.

**Comments:**

1. The Associated General Contractors (AGC) contend that the City's asphalt plant produces asphalt at a cost per ton that is higher than what is charged on the open market. AGC retained the accounting firm of Touche Ross & Company to conduct an analysis of the City's asphalt plant operation. Based upon the results of the Touche Ross analysis and the Controller's analysis of AGC's cost assumptions, the Controller's Office has reported that the proposed improvements to the asphalt plant would enable the City to provide asphalt for City facilities at an equal or lower cost than that provided by private companies.



2. DPW, as reported above, has not finalized the estimated costs for the individual projects listed for street reconstruction and renovation, although preliminary costs are listed on the attachment. However, without specific and detailed cost estimates of each project, the approximate number of projects that the \$9,637,569 million in street reconstruction and renovation bond proceeds can fund cannot be determined. Ms. Joanne Cooney of DPW has stated that at least 15 percent of the proposed funding would be used to pay for design of the listed projects, including estimates of specific costs. Therefore, \$8,191,933 (\$9,637,569 allocated for street repair and reconstruction less \$1,445,635 for staff design work) should be reserved pending the provision of detailed cost estimates on individual street renovation projects by DPW. Once the design work is completed and specific costs estimated, the remaining funds would be released from reserve. Such cost estimates could help determine the number of projects that the \$8,191,933 would fund.

3. Mr. Frank Moss and Mr. Vitaly Troyan of DPW disagree with the Budget Analyst's recommendation to reserve any funds for the street reconstruction and renovation projects for the following reasons:

- There is no useful purpose to reserving these funds. The money will be spent only on the projects listed in the Attachment. Further, DPW estimates project costs during the design phase of the work and on a continuing basis according to the priority list. These projects are then assembled into bid packages of between \$500,000 and \$1,000,000, and as a result would require 23 requests to the Finance Committee for release of the reserves.
- The bond funds must be spent within three years and only on reconstruction and renovation projects. Reserving the funds would delay the actual construction even further and delay the expenditure of the funds. They report that it takes two to four months for funds to be released for expenditure by the Department.
- The Department needs the flexibility to reallocate funds to other projects because actual costs may deviate from the estimates due to fluctuations in contractor bid costs, and utility companies may have plans for additional excavation project sites that would require DPW to postpone certain renovation projects and fund other projects on the list.

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4. As reported above, the street reconstruction and renovation projects will be funded by State and Federal sources in addition to this request for the 1987 General Obligation Bond funds. However, with respect to the State funding source, SB140 funds, the State has not identified a source of funds to finance the provisions of SB140, and consequently DPW cannot guarantee complete funding for all of the projects listed in the attachment. Therefore, the funds for reconstruction and renovation should be reserved until the Department is able to identify all of the funding sources for each project.

5. The Budget Analyst acknowledges (1) that reserving any funds takes more time for the Department to expend the monies and (2) that the Department may not ultimately expend the funds in accordance with their original estimates. However, based on discussions with the Department, the Budget Analyst believes that the Finance Committee should be provided with more detailed cost estimates prior to the final release of these street reconstruction and renovation projects as well as the details of all funding sources as noted in Comment No. 4 above.

**Recommendation:** Amend the proposed ordinance by reserving the funds for street reconstruction and renovation in the amount of \$8,191,933 pending the submission of detailed cost estimates and funding sources on individual street renovation projects by DPW. Approve the proposed Supplemental Appropriation Ordinance as amended.



## 1987 STREET &amp; SAFETY IMPROVEMENTS BOND

## PHASE II PROJECTS

<u>Job Order Number</u>	<u>PROJECT TITLE</u>	<u>PHASE II Bond Fund</u>	<u>Total Project Cost</u>
5292E	GEARY UNDERPASS (Geary & Fillmore)	\$ 200,000	\$ 750,000
5707E	GREAT HIGHWAY RECONSTRUCTION (Lincoln Way to Fulton St.)	\$ 326,000	\$ 466,000
6261E	CONCRETE STREETS #1 (B-8)	\$ 1,287,000	\$ 1,691,000
6323E	16TH & 3RD STS. PH. II (B-9) (San Bruno Ave. to 3rd St. Evans Ave. to Jamestown)	\$ 2,023,000	\$ 2,134,000
XXXX	BSSR BOND WORK (Fiscal Year '90 - '91)	\$ 500,000	\$ 500,000
5701E	AC PLANT	\$ 1,400,000	\$ 1,400,000
6424E	CONCRETE STREET #2	\$ 1,168,000	\$ 1,408,000
6322E	ALEMANY STREET (Congdon St. to S.Jose Ave)	\$ 177,000	\$ 1,313,000
6321E	DOLORES STREET (15th St. to 25th St.) and 24TH STREET (Potrero to Capp and Mission to Church)	\$ 160,000	\$ 1,186,000
6429E	LINCOLN WAY (3rd Ave. to 19th Ave.) and STANYAN STREET (Oak St. to Grattan St.)	\$ 76,000	\$ 538,000
6453E	MISSION STREET (Duboce to Army St.)	\$ 1,153,000	\$ 1,273,000
6450E	MASONIC AVENUE (Presidio to Frederick)	\$ 68,000	\$ 539,000
6451E	OAKDALE AVENUE (3rd St. to Bayshore)	\$ 39,000	\$ 328,000



6505E	SAN BRUNO AVENUE (Rickard St. to Bayshore)	\$ 472,000	\$ 552,000
6503E	GOUGH STREET (Haight to Fell and Grove to Sacramento)	\$ 62,000	\$ 552,000
6510E	IRVING STREET (Arguello to 12th Ave & 22nd Ave to 29th Ave)	\$ 472,000	\$ 552,000
6509E	FRANKLIN STREET (Golden Gate to Pacific) and JONES STREET (McAllister to O'Farrell & Post to Pine)	\$ 123,000	\$ 711,000
XXXX	PINE STREET (Taylor St. to Presidio)	\$ 231,000	\$ 1,068,000
XXXX	BALBOA STREET (Arguello to 26th Avenue)	\$ 803,000	\$ 803,000
XXXX	FILLMORE STREET (Duboce St. to Ellis St.) and HAIGHT STREET (Gough to Stanyan St.)	\$ 171,000	\$ 984,000
XXXX	HUNTERS PT. EXPRESSWAY (Gilman St. to Jamestown) and JAMESTOWN AVENUE (Hunters Point Expressway to Harney)	\$ 89,000	\$ 296,000
XXXX	19TH & HOLLOWAY PEDESTRIAN SAFETY IMPROVEMENTS	\$ 200,000	\$ 200,000
XXXX	MISSION STREET PEDESTRIAN OVERPASS	\$ 400,000	\$ 400,000
XXXX	ISLAIS CREEK INTERCHANGE	\$ 400,000	\$ 15,500,000
		\$12,000,000	\$ 35,044,000



Items 10 and 11 - Files 101-89-32 and 102-89-13

**Department:** Controller

**Proposed Actions:** Supplemental Appropriation Ordinance for permanent salaries for the creation of four positions (File 101-89-32).

Annual Salary Ordinance amendment reflecting the addition of four positions and the deletion of four positions (102-89-13).

**Amount:** \$99,390

**Source of Funds:** Reappropriation of previously budgeted Controller General Fund monies.

**Description:** 1. The proposed amendment to the 1989-90 Salary Ordinance (File 102-89-13) would add four Performance Auditor positions and delete four Administrative Analyst positions. The proposed amendments, which were approved by the Civil Service Commission at its meeting on September 18, 1989, is as follows:

<u>Action No. Class/Title</u>			<u>1989-90 Biweekly Salary</u>	<u>1989-90 Annual Salary</u>
Add	3	1805 Associate Performance Auditor	\$1,499-\$1,818	\$38,974-\$47,268
Delete	3	1823 Senior Adminis- trative Analyst	1,618-1,965	42,068-51,090
Add	1	1801 Supervising Performance Auditor	1,674-2,033	43,524-52,858
Delete	1	1824 Principal Adminis- trative Analyst	1,890-2,297	49,140-59,722

At the fifth step, the four positions to be added would cost \$194,662 annually, which is \$18,330 less than the \$212,992 annual salary required at the fifth step for the four positions to be deleted.

2. The proposed Supplemental Appropriation Ordinance (File 101-89-32) would appropriate \$99,390 for permanent salaries and rescind \$99,390 from permanent salaries for FY 1989-90 for the addition and deletion of four positions.

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**Comments:**

1. On July 10, 1989, the Board of Supervisors approved by ordinance (File 128-88-1.1) an amendment to Chapter 2 of the Administrative Code which added Section 2.92, requiring the Controller to establish a Performance and Efficiency Audit Office. The purpose of this office is to improve the overall efficiency of City government by performing management audits of City departments and agencies. The Controller plans to staff the new office with 20 performance auditors over a three-year period.

2. In the Controller's 1989-90 budget, the Board of Supervisors approved six positions for the new Performance and Efficiency Audit Office as follows:

<u>Classification</u>	<u>No. of Positions</u>	<u>Budget Amount</u>
A001N Senior EDP Auditor	1	\$13,475
1454N Executive Secretary III	1	8,749
1823N Sr. Administrative Analyst	3	59,557 *
1824N Principal Administrative Analyst	1	39,833 *

\*Total of \$99,390; subject of this report.

The Controller had planned to fill one 1823 Senior Administrative Analyst position and one 1824 Principal Administrative Analyst position from October 1, 1989 through June 30, 1990, and two 1823 Senior Administrative Analyst positions from April 1, 1990 through June 30, 1990.

The Controller has since requested, and the Civil Service Commission has approved, reclassification of the three 1823 Sr. Administrative Analyst positions and the one 1824 Principal Administrative Analyst position for the new office to three 1805 Associate Performance Auditors and one 1801 Supervising Performance Auditor, respectively, at lower salary ranges. The proposed Salary Ordinance amendment (File 102-89-13) would reappropriate the funds for the four budgeted Analyst positions to the four newly classified Performance Auditor positions.

3. According to Mr. Young Choi of the Controller's Office, the Controller intends to complete performance audits of San Francisco General Hospital, as requested by the Mayor, and Civil Service, as requested by the Board of Supervisors Finance Committee, by the end of fiscal year 1989-90.

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4. The proposed Supplemental Appropriation of \$99,390 was based on the original amount approved for the four Analyst positions in the 1989-90 budget. However, Mr. Choi indicates that the reclassification process has delayed filling two positions planned for October 1, 1989 until December 11, 1989. In order to accomplish the two audits planned for fiscal year 1989-90, Mr. Choi requests that the two positions originally planned to be filled on April 1, 1989 be filled on January 12, 1990. The funds required to fill one 1805 Associate Performance Auditor position and one 1801 Supervising Performance Auditor position for 14.5 biweekly pay periods from December 11, 1989 through June 30, 1990, and two 1805 Associate Performance Auditor positions for 12.1 biweekly pay periods from January 12, 1990 through June 30, 1990, total \$99,259 which approximates the request of \$99,390.

5. The Budget Analyst's Office is fully supportive of increased staffing for the City's performance auditing capability since such auditing usually results in cost savings as well as improved efficiencies and effectiveness. Further, as previously noted, the monies for the performance auditing-type positions were previously approved in the 1989-90 budget.

**Recommendation:** Approve the proposed supplemental appropriation and salary ordinance amendment.



Item 12 - File 97-89-41

1. The proposed ordinance would amend Chapter 10 of the City Administrative Code by adding Section 10.114-2 to establish a Municipal Railway Graffiti Fund to accept and expend money, property or services which may be offered to the Graffiti Prevention Program. All interest earnings from the Municipal Railway Graffiti Fund would be included as part of the Fund. Any balance of funds that remain in the Graffiti Fund at the close of any fiscal year would be carried forward and remain in the Fund for the next fiscal year.

2. Expenditures from the Graffiti Fund would be at the discretion of the General Manager of the Municipal Railway. Funds would be used (a) to assist in the prevention and removal of graffiti in and on Municipal Railway property and (b) to provide further education and community outreach activities on the subject of graffiti prevention. No breakdown is available on what percentages of funds would go to each area.

Comments

1. MUNI established the Graffiti Prevention Advisory Committee to assist in the alleviation of graffiti vandalism and to conduct education and community outreach activities on the subject of graffiti prevention. The Advisory Committee is composed of 37 representatives of community organizations, City agencies, service organizations and private firms. The Committee receives no City funds for its programs and must rely on private contributions to fund its prevention and education activities.

2. The proposed Graffiti Fund would be established in order to accept donations of money, property and personal services from private sources. According to Ms. Barbara Conway, Manager, Graffiti Prevention Program, the Committee has received \$8,500 in cash during its first nine months of operations.

3. According to Bill O'Sullivan of the Controller's Office, creation of the Municipal Railway Graffiti Fund would enable the City to receive private contributions without additional gift or grant receipt legislation required to come before the Mayor and the Board of Supervisors in order to receive specific amounts of funds.

4. As noted above, expenditures from the Fund would be at the sole discretion of the General Manager of the Municipal Railway. The Public Utilities Commission reports that the General Manager would provide quarterly reports on the fund to the Public Utilities Commission. However, under the proposed legislation, expenditures from the monies deposited to this Fund would not be subject to appropriation by the Board of Supervisors.



**Recommendation**

Amend the proposed ordinance to require that expenditures from the Municipal Railway Graffiti Fund be subject to appropriation by the Board of Supervisors and approve the ordinance as amended.



Item 13 - File 101-88-91.2

**Department:** Public Library

**Proposed Action:** Release of reserved funds previously approved for the new Main Library Program Environmental Impact Report (EIR) and for Department of Public Works preliminary architecture and engineering work on the branch libraries. The funds for the EIR were reserved pending submission of details regarding the proposed contractual services. The funds for the preliminary architecture and engineering work were reserved pending completion of the Programming Scope of Work.

**Amount:** \$175,000 - Main Library Environmental Impact Report  
\$100,000 - Preliminary Architecture and Engineering (DPW) work on the branch libraries

**Source of Funds:** Proceeds from the 1988 Public Library Facilities System Improvement Bonds

**Description:**

1. In November, 1988, City voters approved the issuance of \$109.5 million in General Obligation Bond funds for the construction of a new Main Library Building (\$104.5 million) and for the remodeling of various branch Library facilities (\$5 million). In June 1989 the City issued \$12 million of the total \$109.5 million Public Library bonds. The initial bond sale proceeds will be used to fund the Public Library's construction costs for approximately three years.
2. In March, 1989, the Board of Supervisors approved the Public Library's \$655,000 supplemental appropriation from the 1988 Public Library Bond funds for various capital improvements and the creation of two new positions (Ordinance 85-89) and placed on reserve \$325,000 for the new Main Library Program consultant (\$50,000), the Environmental Impact Report outside consultant (\$175,000) and the DPW's Bureau of Architecture's Preliminary Architecture and Engineering (\$100,000).



3. The Public Library is now requesting release of \$175,000 of the reserved funds to proceed with the Main Library Environmental Impact Report and \$100,000 for DPW preliminary architecture and engineering work on the branch libraries. The \$175,000 for the EIR were placed on reserve because the Department had not yet selected the consultant and therefore the Department could not provide estimated hours and hourly rates of the consultant and the MBE/WBE/LBE commitment of the consultant. The \$100,000 for the preliminary architecture and engineering work on the branch library was reserved pending the completion of the Programming Scope of Work and the submission of more detailed cost information.

4. According to Mr. Russell Able of the Bureau of Architecture, a Request for Proposal (RFP) was distributed to eleven firms to prepare the EIR. Proposals were received from the following three firms:

<u>Name of Firm</u>	<u>MBE/WBE/LBE</u>
ESA (Environmental Science Associates) Inc.	LBE
Bendix Environmental Research Inc.	LBE/WBE
EIP Associates	LBE

Mr. Able reports that ESA, located in San Francisco, has been selected as the preferred consultant and that ESA has received approval from the Human Rights Commission and the Civil Service Commission. ESA is not an MBE or WBE firm.

5. The consultant has submitted a cost estimate that proposes a range of costs from \$150,000-\$191,000. The actual costs will depend upon the level of detail of the project description and the extent of public agency or other comments during the EIR review period. However, detailed information is still not available regarding the number of hours and the hourly rates of the consultant.

6. Preliminary architecture and engineering services schematic designs have been developed by the Bureau of Architecture for 10 library branches. Requested funds will allow DPW to proceed on an in-house basis with the preliminary design stage for the 10 branches. Specific personnel assignments have not yet been made by the

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various engineering departments but an average hourly wage rate has been provided. The estimated cost breakdown is as follows:

Architectural Design

Project Manager	200 hrs. @ \$63/hr	\$12,600
Architect	230 hrs. @ \$47/hr	10,810
Architectural Assoc. II	230 hrs. @ \$48/hr	11,040
Architectural Ass't II	230 hrs. @ \$33/hr	7,590
Clerical	50 hrs. @ \$31/hr	1,550
Contingency		4,410

Engineering

Structural Engineering	640 hrs. @ \$50/hr	32,000
Mechanical Engineering	200 hrs. @ \$50/hr	10,000
Electrical Engineering	200 hrs. @ \$50/hr	<u>10,000</u>

Total Preliminary Architecture and Engineering costs	\$100,000
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**Comment:**

The \$175,000 funds from the Environmental Impact Report were placed on reserve by the Finance Committee pending the submission of detailed information regarding the number of hours and the hourly rates of the proposed consultant. Since this information has not been provided, the Budget Analyst recommends continuing to keep these funds on reserve pending submission of this information.

**Recommendations:**

1. Approve the release of the \$100,000 for in-house DPW preliminary architecture and engineering work for the branch libraries.
2. Continue to reserve \$175,000 for the Main Library Consultant's Environmental Impact Report costs until details are provided by the consultant regarding the number of estimated hours and hourly rates of the consultant.



Items 14 and 15 - Files 101-89-34 and 102-89-10

**Department:** Public Library

**Items:** Supplemental Appropriation Ordinance (File 101-89-34) for various capital improvement projects, for the creation of one position and to place \$3,692,062 in reserve.

Annual Salary Ordinance amendment (File 102-89-10) reflecting the addition of one position.

**Amount:** \$11,366,423

**Source of Funds:** 1988 Library Improvement Bond funds

**Description:** The proposed amendment to the 1989-90 Salary Ordinance (File 102-89-10) would add one 3634 Librarian III position. This position would serve as a liaison with appropriate agencies/City departments and the community prior to and during the Branch Library bond improvement projects and would monitor the project budget and assist with project management. The proposed amendment, which will be reviewed by the Civil Service Commission at a future date, is as follows:

<u>Action</u>	<u>No.</u>	<u>Class/Title</u>	1989-90 Biweekly <u>Salary</u>	1989-90 Annual <u>Salary</u>
Add	1	3634 Librarian III	\$1,626-\$1,975	\$42,276-\$51,350

The proposed Supplemental Appropriation Ordinance (File 101-89-34) would appropriate \$11,366,423 for various capital improvement projects for the Main Library and the Branch Libraries and for the creation of one position for the Branch Libraries as follows:

New Main Library \$6,545,000

\$6,500,000 of the \$6,545,000 is to fund contractual services with two architectural firms, I.M. Pei and Simon, Martin-Vogue, Wenklestein and Morris, to design the new Main Library, coordinate the development of the design with other appropriate agencies, prepare plans and specifications for construction of the building and oversee the construction of the project. The remaining \$45,000 is to fund an outside consultant independent project monitor who would evaluate and make recommendations

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regarding the feasibility of project schedules, budget and construction methods and materials.

Branch Library Improvements \$4,079,055

Architectural services for improvements to Branch Libraries, which are to be provided by the Bureau of Architecture, include preparation of plans and specifications, issuance of bids, construction management, and performance of actual construction work at the various branches. \$3,263,255 of the \$4,079,055 total would be reserved pending completion of construction cost estimates and a projected plan/schedule for the various Branch Libraries under consideration for improvements. The balance of \$815,800 would be available to fund design plans for the Branch Library improvements.

Miscellaneous Project Services 742,368

\$392,368 of the \$742,368 is to be used to fund library staff, for a two year period, to coordinate and manage the project. The remaining \$350,000 is to fund a project manager and clerical support services, for a two year period, in the Department of Public Works, Bureau of Architecture. Budget details are as follows:

	First Year (1989-90)	Second Year (1990-91)	Total
<u>Permanent Salaries</u>			
1 - 3638 Chief Librarian	\$57,107	\$62,927	\$120,034
1 - 1446 Secretary II	29,780	31,268	61,048
1 - 3634 Librarian III*	<u>51,548</u>	<u>54,105</u>	<u>105,653</u>
Subtotal	\$138,435	\$148,300	\$286,735
<u>Mandatory Fringe Benefits</u>	37,377	40,041	77,418
<u>Bureau of Architecture -</u>			
<u>Project Manager</u>	175,000	175,000	350,000
<u>Miscellaneous Costs</u>	<u>28,215</u>	<u>0</u>	<u>28,215</u>
Total	\$379,027	\$363,341	\$742,368

\* Proposed new position to be created by File 102-89-10. Other positions are existing positions to be financed with bond funds.

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The proposed legislation would reserve a total of \$428,807. The first year funding of salary (\$51,548) and fringe benefits (\$13,918) for the Librarian III position would be reserved pending Civil Service Commission classification of the proposed new position. All of the second year salaries (\$148,300) and fringe benefits (\$40,041) would be reserved pending FY 1990-91 salary standardization. \$175,000 for the second year Bureau of Architecture funding would be reserved pending Library staff review and evaluation of services to be provided by DPW.

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Total Cost of Projects

\$11,366,423

**Comments:**

1. According to Ms. Kathy Page, Chief Librarian of the Library, DPW, Bureau of Architecture has not provided detailed budget information regarding the level and type of staff services to be provided on the project. Therefore, the Budget Analyst recommends that the \$175,000 earmarked for one Bureau of Architecture project manager and clerical support services for first year funding be placed on reserve pending DPW, Bureau of Architecture provision of detailed information on level and type of services to be provided on the project.

2. Mr. Calvin Malone of the Capital Improvement Advisory Committee reports that the Request for Proposal (RFP) for the provision of independent project monitoring services to oversee the plans and construction of the Main Library has not yet been issued by DPW. Mr. Malone anticipates that the RFP might be issued within two weeks. Since an RFP has not been issued and the cost to fund these services is not known at this time, the Budget Analysts recommends that the \$45,000 designated for these consulting services be placed on reserve, pending the issuance of the RFP and a more refined estimate of the cost to provide these services.

3. The \$28,215 for Miscellaneous Costs is not designated by the Library for any specific project expenditure at this time. Therefore, the Budget Analyst recommends that these funds be placed on reserve.

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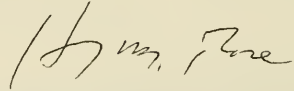
- Recommendations:** 1. Amend the proposed Supplemental Appropriation Ordinance (File 101-89-34) to reserve an additional \$248,215, as detailed in the three comments above, in addition to the \$3,692,062 reserve proposed by this legislation. Approve the proposed Supplemental Appropriation Ordinance as amended.
2. Approve the proposed ordinance to amend the Annual Salary Ordinance (File 102-89-10).



Memo to Finance Committee  
October 11, 1989

Items 16 through 18 - Files (various)

The proposed resolutions authorizing settlements of litigation are legal matters under the responsibility of the City Attorney's Office. The Budget Analyst does not normally review and report on such items.



Harvey M. Rose

cc: Supervisor Walker  
Supervisor Ward  
Supervisor Hallinan  
President Britt  
Supervisor Alioto  
Supervisor Gonzalez  
Supervisor Hongisto  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Nelder  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Carol Wilkins  
Stacy Becker  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



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10/18/89

*Agenda  
Taken*

CALENDAR  
MEETING OF  
FINANCE COMMITTEE

DOCUMENTS DEPT.  
NOV 1 1989  
SAN FRANCISCO  
PUBLIC RELS. DIV.

Board of Supervisors  
City and County of San Francisco

WEDNESDAY, OCTOBER 18, 1989 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN

CLERK: GREG HOBSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

NOTE: IT IS THE INTENTION OF THE CHAIR TO ENTERTAIN A MOTION TO CONTINUE FILES 107-89-10 AND 101-89-21 ONE WEEK.

1. File 107-89-10. [License of Real Property] Resolution authorizing license to use real property located at 277 Golden Gate Avenue for the Department of Social Services, accept gift of the use of real property and authorize hold harmless provision. (Supervisor Walker)

(Cont'd from 10/11/89)

ACTION: MEETING RECESSED TO MONDAY, OCTOBER 23, 1989, DUE TO LACK OF QUORUM.

2. File 101-89-21. [Government Funding] Ordinance appropriating \$12,000,000, Department of Public Works, for capital improvement projects (street reconstruction and renovation and new safety projects). (Controller) RO #9053

(Cont'd from 10/11/89)

ACTION: MEETING RECESSED TO MONDAY, OCTOBER 23, 1989, DUE TO LACK OF QUORUM.

CLOSED SESSION

3. File 45-89-40. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of David Dube against the City and County of San Francisco by payment of \$7,500. (City Attorney) RO #9084 (Superior Court No. 879-702)

ACTION: MEETING RECESSED TO MONDAY, OCTOBER 23, 1989, DUE TO LACK OF QUORUM.

4. File 45-89-41. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Dorothy Moore against the City and County of San Francisco by payment of \$85,000. (City Attorney) RO #9089 (Superior Court No. 825-524)

ACTION: MEETING RECESSED TO MONDAY, OCTOBER 23, 1989, DUE TO LACK OF QUORUM.

5. File 45-89-42. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Robert Rovai against the City and County of San Francisco by payment of \$12,500. (City Attorney) RO #9088 (Superior Court No. 883-107)

ACTION: MEETING RECESSED TO MONDAY, OCTOBER 23, 1989, DUE TO LACK OF QUORUM.

6. File 45-89-43. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Mark Wuerfel and Carol Larson against the City and County of San Francisco by payment of \$10,000. (City Attorney) RO #9093 (Superior Court No. 857-938)

ACTION: MEETING RECESSED TO MONDAY, OCTOBER 23, 1989, DUE TO LACK OF QUORUM.

7. File 45-89-44. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Edward George Fierro against the City and County of San Francisco by payment of \$12,500. (City Attorney) RO #9092 (U.S. District Court nO. C88-1385 SAW)

ACTION: MEETING RECESSED TO MONDAY, OCTOBER 23, 1989, DUE TO LACK OF QUORUM.

8. File 46-89-14. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of William Guedet vs. O'Brien-Kreitzberg & Associates, Inc., et al., upon receipt of the sum of \$15,000 and a Compromise and Release of future Workers' Compensation Benefits, and authorizing release of lien. (City Attorney) (Superior Court No. 838-989)

ACTION: MEETING RECESSED TO MONDAY, OCTOBER 23, 1989, DUE TO LACK OF QUORUM.

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Actions  
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CALENDAR  
 SPECIAL MEETING OF  
 FINANCE COMMITTEE

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Board of Supervisors  
 City and County of San Francisco

MONDAY, OCTOBER 23 1989 - 9:00 A.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN

ABSENT: SUPERVISOR WARD

CLERK: GREG HOBSON

1. File 101-89-40. [Government Funding] Ordinance appropriating \$391,054, Public Health - CPHS - Health Centers, for permanent salaries-miscellaneous, permanent salaries-nurses and related mandatory fringe benefits and medical service contracts for the creation of eleven (11) positions. (Controller) RO #9102 (COMPANION TO THE FOLLOWING FILE)

ACTION: AMENDED. RECOMMENDED AS AMENDED. Add a Section 3 stating: "The positions included in this ordinance have previously been funded by the State of California. It is the intention of the Board of Supervisors to fund these positions only until such time as federal or state funds are received to fund these positions." On Page 2, line 12, change "2589 Health Program Coordinator I" biweekly salary from "\$1,088 B 1,316" to "\$1,249 B \$1,513." (TO BOARD AS COMMITTEE REPORT, MONDAY OCTOBER 23, 1989.)

2. File 102-89-16. [Public Employment] Ordinance amending Annual Salary Ordinance 1989-90, Department of Public Health, Central Office, reflecting the addition of eleven (11) positions; (Classifications (3) 3587 Health Worker III, (1) 2587 Health Program Coordinator I, (1) 2591 Health Program Coordinator II, (1) 2583 Health Program Coordinator III, (4) Registered Nurse and (1) 2328 Nurse Practitioner). (Civil Service Commission) (COMPANION TO THE PRECEDING FILE)

ACTION: AMENDED. RECOMMENDED AS AMENDED. On line 14 change Health Program Coordinator I classification from "2587" to "2589"; Add a Section 2 stating: "The positions included in this ordinance have previously been funded by the State of California. It is the intention of the Board of Supervisors to fund these positions only until such time as federal or state funds are received to fund these positions." (TO BOARD AS COMMITTEE REPORT, MONDAY OCTOBER 23, 1989.)



CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 552-9292

October 20, 1989

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**TO:** Finance Committee  
**FROM:** Budget Analyst  
**SUBJECT:** October 23, 1989 Special Finance Committee Meeting

Items 1 and 2 - Files 101-89-40 and 102-89-16

**Department:** Department of Public Health (DPH), Central Office, Health Services

**Proposed Actions:** Supplemental Appropriation Ordinance for permanent salaries and mandatory fringe benefits for the creation of eleven positions and for medical services contracts (File 101-89-40).

Annual Salary Ordinance amendment reflecting the addition of eleven positions (File 102-89-16).

**Amount:** \$391,054

**Source of Funds:** General Fund - General Reserve

**Description:** The proposed amendment to the 1989-90 Salary Ordinance (File 102-89-16) would add 11 positions. The proposed amendments to be reviewed at a future meeting of the Civil Service Commission, is as follows:



<u>Action</u>	<u>No.</u>	<u>Class/Title</u>	1989-90 <u>Biweekly</u> <u>Salary</u>	1989-90 <u>Annual</u> <u>Salary</u>
Add	3	2587 Health Worker III	\$912-\$1,104	\$23,712-\$28,704
Add	1	2589 Health Program Coordinator I	1,249-1,513	32,474-39,338
Add	1	2591 Health Program Coordinator II	1,450-1,756	37,700-45,656
Add	1	2593 Health Program Coordinator III	1,580-1,918	41,080-49,868
Add	4	2320 Registered Nurse	1,508-1,764*	39,208-45,864*
Add	<u>1</u> 11	2328 Nurse Practitioner	1,650-2,064**	42,900-53,664**

\* Beginning January 1, 1990, the biweekly salary will be \$1,538-\$1,800 and the annual salary will be \$39,988-\$46,800.

\*\* Beginning January 1, 1990, the biweekly salary will be \$1,682-\$2,104 and the annual salary will be \$43,732-\$54,704.

At the top step, the eleven positions to be added would cost \$460,486 annually.

The proposed Supplemental Appropriation Ordinance (File 101-89-4) would appropriate \$151,867 for permanent salaries and mandatory fringe benefits for the creation of eleven positions and \$239,187 for Medical Services Contracts, for a total of \$391,054 for FY 1989-90, as follows:

Permanent Salaries - Misc.	\$56,544
Permanent Salaries -Nurses	60,737
Mandatory Fringe Benefits	34,586
Medical Services Contracts	<u>239,187</u>
Total	\$391,054



**Comments:**

1. The DPH is requesting a supplemental appropriation to restore family planning services previously funded by the State. According to DPH, the State has reduced funding for four San Francisco community-based family planning agencies and DPH family planning services by \$1,018,453 (74 percent) from \$1,370,300 in FY 1988-89 to \$351,847 in FY 1989-90. The DPH indicates that the \$351,847 provided by the State for FY 1989-90 will allow family planning service agencies and DPH to maintain services at 1988-89 levels for approximately four months, from July 1, 1989 through October 31, 1989.

2. The proposed supplemental appropriation would provide funding to maintain family planning services for four months from November 1, 1989 through February 28, 1990. The DPH anticipates that the State legislature may restore funding for the remainder of the fiscal year, from March 1, 1990 through June 30, 1990, when the legislature reconvenes in January. According to Mr. Steve Purser of DPH, DPH is requesting funding for four months with the expectations that the State will fund the remainder of the fiscal year. However, Mr. Purser indicates that should the State not provide additional funding, the DPH could be expected to request an additional supplemental appropriation to continue the family planning services for the remainder of the fiscal year.

3. The \$391,054 would fund four months of family planning services as follows:

DPH Salaries

Contract Administration:	<u>FTE</u>		
2589 Health Program Coordinator I	0.8	\$ 9,694	
2593 Health Program Coordinator III	0.25	4,022	
2328 Nurse Practitioner	<u>0.8</u>	<u>14,132</u>	
	1.85		\$27,848
Family Planning Services:			
2387 Health Worker III	3.0	\$29,102	
2591 Health Program Coordinator II	1.0	13,726	
2320 Registered Nurse	<u>3.0</u>	<u>46,605</u>	
	7.0		<u>89,433</u>
Subtotal DPH Salaries	8.85		\$117,281

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



<u>Mandatory Fringe Benefits</u>		\$34,586
<u>Medical Services Contracts</u>	No. of Visits	
Planned Parenthood	1,600	\$61,860
Mission Neighborhood Health Center	1,000	12,800
Haight Ashbury Free Clinic/Women's Needs Center	1,500	34,632
UCSF/SFGH	2,500	121,516
Contingency	-	<u>8,379</u>
	6,600	<u>\$239,187</u>
Total Supplemental Appropriation Request		\$391,054

On an annualized basis, the proposed family planning services would cost \$1,173,162.

4. The DPH is requesting a contingency of \$8,379 for Medical Services contracts for additional services that may be billed to the City. The medical services contracts are billed on a fee-for-service basis, rather than hourly wages or salaries.

5. The four contracts would be awarded on a sole-source basis, to the contractors identified above because of the Department's intent to continue funding for these four State-funded providers. Services to be provided include pregnancy testing, birth control and sterilization services. The DPH would use similar contract procedures and reimbursement guidelines as currently enforced by the State.

6. The legislation should stipulate that the eleven positions to be added to the Salary Ordinance will be deleted once State funding for family planning services has been restored.

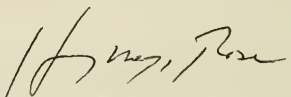
7. The proposed legislation contains two clerical errors. The proposed Annual Salary Ordinance amendment (File 102-89-16) lists the Health Program Coordinator I position as classification 2587, which should be 2589. Section 2 of the proposed Supplemental Appropriation Ordinance (File 101-89-40) shows the 2589 Health Program Coordinator I salary rate as \$1,088-\$1,316, which should be \$1,249-\$1,513. This correction would not affect the amount of the proposed Supplemental Appropriation because the correct salary rates were used in the calculations.

8. According to the Controller's Office, the balance in the General Fund - General Reserve, as of 10/20/89, is \$9,948,355.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



- Recommendations:**
1. Approval of the restoration of family planning services, including the addition of eleven positions, which could use local General Fund monies of \$1,173,162 annually if not fully funded by the State, to replace a reduction in previously provided State monies, is a policy matter for the Board of Supervisors.
  2. If the proposed ordinances are approved, amend the legislation to:
    - a) Stipulate that the eleven positions to be added to the 1989-90 Salary Ordinance will be deleted once State funding for family planning services has been restored,
    - b) Amend the proposed Annual Salary Ordinance amendment (File 102-89-16) to change the Health program Coordinator I classification from 2587 to 2589 to correct a clerical error, and
    - c) Amend Section 2 of the proposed Supplemental Appropriation Ordinance (File 101-89-40) to change the 2589 Health Program Coordinator I biweekly salary rate from \$1,088-\$1,316 to \$1,249-\$1,513 to correct a clerical error.



Harvey M. Rose

cc: Supervisor Walker	Supervisor Maher
Supervisor Ward	Supervisor Nelder
Supervisor Hallinan	Clerk of the Board
President Britt	Chief Administrative Officer
Supervisor Alioto	Controller
Supervisor Gonzalez	Carol Wilkins
Supervisor Hongisto	Stacy Becker
Supervisor Hsieh	Ted Lakey
Supervisor Kennedy	



NOTE: ALL ITEMS FROM RECESSED MEETING WEDNESDAY, OCTOBER 18, 1989.

*Calendar*  
*Taker*

CALENDAR  
 RECESSED MEETING OF  
 FINANCE COMMITTEE

Board of Supervisors  
 City and County of San Francisco

MONDAY, OCTOBER 23, 1989 - 9:00 A.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN

ABSENT: SUPERVISOR WARD

CLERK: GREG HOBSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

1. File 107-89-10. [License of Real Property] Resolution authorizing license to use real property located at 277 Golden Gate Avenue for the Department of Social Services, accept gift of the use of real property and authorize hold harmless provision. (Supervisor Walker)

(Cont'd from 10/11/89)

ACTION: CONTINUED TO THE CALL OF THE CHAIR.

2. File 101-89-21. [Government Funding] Ordinance appropriating \$12,000,000, Department of Public Works, for capital improvement projects (street reconstruction and renovation and new safety projects). (Controller) RO #9053

(Cont'd from 10/11/89)

ACTION: CONTINUED TO RECESSED MEETING, WEDNESDAY, OCTOBER 25, 1989, 2:00 P.M.

CLOSED SESSION

3. File 45-89-40. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of David Dube against the City and County of San Francisco by payment of \$7,500. (City Attorney) RO #9084 (Superior Court No. 879-702)

ACTION: RECOMMENDED. (TO BOARD AS COMMITTEE REPORT, MONDAY, OCTOBER 23, 1989.)

4. File 45-89-41. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Dorothy Moore against the City and County of San Francisco by payment of \$85,000. (City Attorney) RO #9089 (Superior Court No. 825-524)

ACTION: RECOMMENDED. (TO BOARD AS COMMITTEE REPORT, MONDAY, OCTOBER 23, 1989.)

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5. File 45-89-42. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Robert Rovai against the City and County of San Francisco by payment of \$12,500. (City Attorney) RO #9088 (Superior Court No. 883-107)

ACTION: RECOMMENDED. (TO BOARD AS COMMITTEE REPORT, MONDAY, OCTOBER 23, 1989.)

6. File 45-89-43. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Mark Wuerfel and Carol Larson against the City and County of San Francisco by payment of \$10,000. (City Attorney) RO #9093 (Superior Court No. 857-938)

ACTION: CONTINUED TO RECESSED MEETING, WEDNESDAY, NOVEMBER 1, 1989, 2:00 P.M.

7. File 45-89-44. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Edward George Fierro against the City and County of San Francisco by payment of \$12,500. (City Attorney) RO #9092 (U.S. District Court nO. C88-1385 SAW)

ACTION: RECOMMENDED. (TO BOARD AS COMMITTEE REPORT, MONDAY, OCTOBER 23, 1989.)

8. File 46-89-14. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of William Guedet vs. O'Brien-Kreitzberg & Associates, Inc., et al., upon receipt of the sum of \$15,000 and a Compromise and Release of future Workers' Compensation Benefits, and authorizing release of lien. (City Attorney) (Superior Court No. 838-989)

ACTION: RECOMMENDED. (TO BOARD AS COMMITTEE REPORT, MONDAY, OCTOBER 23, 1989.)

CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

October 23, 1989

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**TO:** Finance Committee

**FROM:** Budget Analyst

**SUBJECT:** October 23, 1989 Recessed Finance Committee Meeting

Item 1 - File 107-89-10

**Note:** This item was continued by the Finance Committee at its meeting of October 11, 1989.

**Department:** Real Estate  
Department of Social Services

**Item:** Resolution authorizing a license to use real property, accepting a gift of the use of real property and authorizing a hold harmless provision.

**Description:** The proposed resolution would (1) authorize the City to enter into a license agreement with Hastings College of Law for the use of approximately 8,500 square feet of building space at 277 Golden Gate Avenue. (This vacated building was previously used by the KGO Television Station); (2) authorize the City to accept the use of this building space as a gift from Hastings College of Law and (3) authorize a hold harmless provision which limits the extent to which Hastings College of Law would be liable with respect to loss, damage or injury surrounding the City's use of the property. The term of the license agreement would commence September 15, 1989, or as soon thereafter as this proposed resolution is approved by the Board of Supervisors, and would terminate June 30, 1990. After June 30, 1990, this license could be extended on a month-to-month basis by Hastings College of Law with the concurrence of the Director of Property.



The Department of Social Services is proposing to use the building at 277 Golden Gate Avenue to provide an overnight shelter and daytime social service programs (i.e. counseling, referral, drop-in) to homeless men and women in San Francisco. Ms. Carla Javits of the Department of Social Services (DSS) reports that DSS is in the process of preparing an RFP to acquire a contractor to operate the overnight shelter and provide the social service programs. It is anticipated that the RFP will be issued within the first two weeks of October, 1989.

**Comments:**

1. Ms. Javits reports that the homeless program would provide overnight shelter services for approximately 75 men and 25 to 30 women and would provide daytime social services for approximately 100 persons at any given time. DSS has introduced pending legislation, requesting a supplemental appropriation in the amount of \$575,000 to fund this program for the homeless (File 101-89-42).

2. Ms. Javits advises that the budget estimate for the proposed homeless program is currently undergoing revisions and therefore the amount the department will actually request to fund the program will differ from the \$575,000 included in the above mentioned pending legislation.

3. Mr. Tony Delucchi, Director of Property, reports that the negotiated terms of the proposed license agreement between the City and Hastings College are still being finalized and he anticipates that these negotiations should be completed shortly. Ms. Javits is requesting that this proposed license agreement be continued and that this item be heard together with the pending request for financing the overnight shelter and daytime social services programs for the homeless.

**Recommendation:** Continue the proposed resolution as requested by the Department of Social Services.



Item 2 - File 101-89-21

**Note:** This item was continued at the October 11, 1989 Finance Committee meeting.

**Department:** Department of Public Works (DPW)

**Item:** Supplemental Appropriation Ordinance for Capital Improvement Projects (street reconstruction and renovation and new safety projects) for Fiscal Year 1989-90.

**Amount:** \$12,000,000

**Source of Funds:** 1987 Street Improvement Bonds

**Description:** The proposed Supplemental Appropriation Ordinance would authorize DPW to spend \$12 million from bonds that were sold on June 7, 1989. The June 7 General Obligation bond issuance is the second of two bond sales totalling \$27 million, which San Francisco voters approved in 1987, and will be used for street reconstruction, asphalt plant improvements and street and pedestrian traffic safety programs.

DPW proposes to use the bond funds for the following:

Street reconstruction and renovation	\$9,637,569
Asphalt plant improvement work	1,362,431
New safety projects	<u>1,000,000</u>
<b>TOTAL</b>	<b>\$12,000,000</b>

Street reconstruction and renovations will be scheduled according to priorities assigned by DPW's Pavement Management System. The specific proposed projects, with preliminary total cost estimates, including the other sources of funding for each project, are listed in the Attachment. The street reconstruction and renovation projects will be divided into contracts valued between \$500,000 to \$1 million per contract. The contracts will be bid competitively and subject to Human Rights Commission MBE/WBE requirements.

As part of the asphalt plant improvement work, DPW proposes to replace obsolete machinery in order to increase efficiency and reduce air pollution emissions, construct an air conditioned control room to protect employees from inhalation of dust produced by the plant, and convert existing electrical sensors, which are used for measuring the various asphalt ingredients, to digital sensors. DPW reports that the improved machinery and technology change will allow the elimination of one staff position at the asphalt plant. The

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



position, a 7424 Dryer/Mixer Operator, will be removed from the Department's 1990-91 budget according to Rich Cunningham, Superintendent for Street and Sewer Repair at DPW. Asphalt from the plant will be used for City facilities only. DPW has not solicited specific bid estimates for the equipment and renovations, but anticipates that the actual cost will not exceed the estimated cost of \$1,362,431 requested.

Funding for the new safety projects include \$200,000 for pedestrian safety measures at 19th and Holloway Streets, \$400,000 for construction of the Mission Street Pedestrian overpass and \$400,000 for construction of the Islais Creek Interchange along Interstate Highway 280. These projects are also included in the Attachment. DPW has specifically allocated the \$400,000 for the Islais Creek Interchange as part of the local match required for receipt of Caltrans funding on the project.

**Comments:**

1. DPW, as previously noted, has not finalized the estimated costs for the individual projects listed for street reconstruction and renovation, although preliminary costs are listed on the Attachment. DPW staff report that they are unable to provide specific cost details for the proposed projects listed, because they have not begun engineering and design work for each project. Ms. Joanne Cooney of DPW has stated that at least 15 percent of the proposed funding would be used to pay for design of the listed projects, including estimates of specific costs. Therefore, approximately \$8,191,933 will be expended for construction costs. According to DPW, the design work will be conducted just prior to undertaking the construction phase of each project, such that during the construction of one project, the design phase for the next project will be conducted according to the priority list. DPW reports that this continuous design and construction process is a more efficient means of completing the street reconstruction and renovation projects and precludes reserving all of the design or construction funds for the projects.

2. Furthermore, the Department reports that they need the flexibility to reallocate funds to other projects because actual costs may deviate from the estimates contained in the Attachment. Such changes may be due to fluctuations in contractor bid costs and/or utility companies may have plans for additional excavation project sites that would require DPW to postpone certain renovation projects and fund other projects on the list. According to DPW, the bond funds must be spent within three years and the money will be spent only on the projects listed in the Attachment.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



3. As shown in the Attachment, the proposed projects will be funded with State Gas Tax revenues, other sources of funds and Federal Aid Urban (FAU) grant monies in addition to the Phase I and Phase II bond funds. According to Mr. Vitaly Troyan of DPW, all of the \$775,820 of State Gas Tax revenues identified in the Attachment have been previously appropriated. The \$13,578,666 of other sources of funds are identified for two projects: (1) for the Concrete Street #1 project, \$26,666 of previously appropriated General Fund monies remaining from the original infrastructure projects and (2) for the Islais Creek Interchange, a federal grant of \$13,552,000 which has already been appropriated. The \$1,868,514 of Phase I bond funds have been previously appropriated. The total \$12,000,000 of the Phase II bond funds is the subject of the proposed supplemental appropriation.

4. To date, the \$6,921,000 of FAU grant monies have not been appropriated for these projects. Mr. Troyan reports that DPW anticipates that legislation permitting DPW to apply for, accept and expend the FAU grant funds will be brought before the Board of Supervisors within the next 60 days. According to Mr. Troyan, because of surplus funds that have been released back to DPW as a result of last year's audit, there should be sufficient FAU grant monies available to fund the proposed road reconstruction projects. As indicated on the Attachment, the first seven road reconstruction projects do not require any FAU grant funds.

5. It should be noted that, according to DPW, definite plans have not been developed for the Mission Street Pedestrian Overpass project. The proposed project, to be located between 4th and 5th Street, is estimated to cost approximately \$400,000 of Phase II bond funds. As indicated on the Attachment, no other funds are proposed for the Mission Street Pedestrian Overpass project. Although specifics are not currently available, it appears likely that a private developer may participate in the construction of this project. Given the uncertainty of this project, the Budget Analyst would recommend that the proposed \$400,000 be reserved, until more definite plans for this project are developed.



6. The Associated General Contractors (AGC) contend that the City's asphalt plant produces asphalt at a cost per ton that is higher than what is charged on the open market. AGC retained the accounting firm of Touche Ross & Company to conduct an analysis of the City's asphalt plant operation. Based upon the results of the Touche Ross analysis and the Controller's analysis of AGC's cost assumptions, the Controller's Office has reported that the proposed improvements to the asphalt plant would enable the City to provide asphalt for City facilities at an equal or lower cost than that provided by private companies.

**Recommendation:** Amend the proposed ordinance by reserving the funds for street reconstruction and renovation in the amount of \$400,000 pending the submission of more detailed plans for the Mission Street Pedestrian Overpass project. Approve the proposed Supplemental Appropriation Ordinance as amended.



# 1987 STREET & SAFETY IMPROVEMENTS BOND

## PHASE II PROJECTS

PROJECT TITLE	Gas Tax	Other	FAU Grant	Phase I Bonds	Phase II Bonds	Total Project cost
Geary Underpass (Geary & Fillmore)	\$260,400	\$0	\$0	\$289,600	\$200,000	\$750,000
Great Highway Reconstruction (Lincoln Way to Fulton St.)	\$96,000	\$0	\$0	\$44,000	\$326,000	\$466,000
Concrete Street #1	\$203,995	\$26,666	\$0	\$173,339	\$1,287,000	\$1,691,000
16th Street & 3rd Street (San Bruno to 3rd St and Evans to Jamestown)	\$15,000	\$0	\$0	\$96,000	\$2,023,000	\$2,134,000
BSSR Bond Work (Fiscal Year '90-'91)	\$0	\$0	\$0	\$0	\$500,000	\$500,000
AC Plant	\$0	\$0	\$0	\$0	\$1,400,000	\$1,400,000
Concrete Street #2	\$0	\$0	\$0	\$240,000	\$1,168,000	\$1,408,000
Alemanay Street (Congdon to San Jose)	\$5,000	\$0	\$985,000	\$146,000	\$177,000	\$1,313,000
Dolores Street & 24th Street (15th St to 25th St and Potrero to Church)	\$10,000	\$0	\$826,000	\$190,000	\$160,000	\$1,186,000
Lincoln Way & Stanyan St (3rd Ave to 19th Ave and Oak to Grattan)	\$0	\$0	\$368,000	\$94,000	\$76,000	\$538,000
Sub-Total (This Page):	\$590,395	\$26,666	\$2,179,000	\$1,272,939	\$7,317,000	\$11,386,000



# 1987 STREET & SAFETY IMPROVEMENTS BOND

## PHASE II PROJECTS

PROJECT TITLE	Gas Tax	Other	PAU Grant	Phase I Bonds	Phase II Bonds	Total Project cost
Mission Street (Duboce to Army)	\$87,125	\$0	\$0	\$32,875	\$1,153,000	\$1,273,000
Masonic Avenue (Presidio to Frederick)	\$58,600	\$0	\$412,400	\$0	\$68,000	\$539,000
Oakdale Avenue (3rd St to Bayshore)	\$39,700	\$0	\$249,300	\$0	\$39,000	\$328,000
San Bruno Avenue (Rickard to Bayshore)	\$0	\$0	\$0	\$80,000	\$472,000	\$552,000
Gough Street (Haight To Fell and Grove to Sacramento)	\$0	\$0	\$409,600	\$80,400	\$62,000	\$552,000
Irving Street (Arguello to 29th Avenue)	\$0	\$0	\$0	\$80,000	\$472,000	\$552,000
Franklin Street & Jones Street (Golden Gate to Pacific and McAllister to O'Farrell & Post to Pine)	\$0	\$0	\$518,000	\$70,000	\$123,000	\$711,000
Pine Street (Taylor to Presidio)	\$0	\$0	\$732,800	\$104,200	\$231,000	\$1,068,000
Balboa Street (Arguello to 26th Avenue)	\$0	\$0	\$0	\$0	\$803,000	\$803,000
Sub-Total (This Page):	\$185,425	\$0	\$2,322,100	\$447,475	\$3,423,000	\$6,378,000



# **1987 STREET & SAFETY IMPROVEMENTS BOND PHASE II PROJECTS**

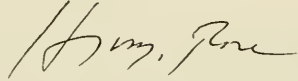
PROJECT TITLE	Gas Tax	Other	PAU Grant	Phase I Bonds	Phase II Bonds	Total Project cost
Fillmore St & Haight St (Duboce to Ellis and Gough to Stanyan)	\$0	\$0	\$713,000	\$100,000	\$171,000	\$984,000
Hunters Pt Exp & Jamestown St (Gilman to Jamestown and Hunter Pt Exp to Harney)	\$0	\$0	\$158,900	\$48,100	\$89,000	\$296,000
19th & Holloway Pedestrian Safety Improvements	\$0	\$0	\$0	\$0	\$200,000	\$200,000
Mission Street Pedestrian Overpass	\$0	\$0	\$0	\$0	\$400,000	\$400,000
Islais Creek Interchange	\$0	\$13,552,000	\$1,548,000	\$0	\$400,000	\$15,500,000
Sub-Total (This Page):	\$0	\$13,552,000	\$2,419,900	\$148,100	\$1,260,000	\$17,380,000
GRAND TOTAL:	\$775,820	\$13,578,666	\$6,921,000	\$1,868,514	\$12,000,000	\$35,144,000



Memo to Finance Committee  
October 18, 1989

Items 3 through 8 - Files (various)

The proposed ordinances authorizing settlements of litigation are legal matters under the responsibility of the City Attorney's Office. The Budget Analyst does not normally review and report on such items.



Harvey M. Rose

cc: Supervisor Walker  
Supervisor Ward  
Supervisor Hallinan  
President Britt  
Supervisor Alioto  
Supervisor Gonzalez  
Supervisor Hongisto  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Nelder  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Carol Wilkins  
Stacy Becker  
Ted Lakey



SF  
S90.25  
# 2  
10/25/89

Actions  
Taken

CALENDAR  
MEETING OF  
FINANCE COMMITTEE

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Board of Supervisors  
City and County of San Francisco

WEDNESDAY, OCTOBER 25, 1989 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN

ABSENT: SUPERVISOR WARD

CLERK: GREG HOBSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

1. File 97-89-12. [Credit Cards] Ordinance amending the San Francisco Administrative Code by adding Section 10.11-1 thereto authorizing officers, Boards and Commissions of the City and County of San Francisco to accept payments by credit cards. (Supervisor Kennedy)

(Cont'd from 10/11/89)

ACTION: CONTINUED TO NOVEMBER 8, 1989, MEETING.

2. File 12-89-24. [Alcohol Tax] Resolution supporting an increase in the Alcoholic Beverage Tax. (Supervisor Kennedy)

(Reactivated in Board 9/25/89)

ACTION: HEARING HELD; CONTINUED TO NOVEMBER 1, 1989, MEETING.

3. File 97-89-43. [Worksite Infant Care Center] Ordinance amending the San Francisco Administrative Code by adding Section 10.117-92 thereto, creating a Worksite Infant Care Center Special Fund. (Supervisor Ward)

ACTION: AMENDED. RECOMMENDED AS AMENDED. On Page 2, add a subsection (f) to read: Annual Reports to Board of Supervisors. The City Attorney shall submit to the Board of Supervisors on an annual basis a written report of revenues to and expenditures from the Worksite Infant Care Center Special Fund."

4. File 97-89-44. [Southeast Community Facility Commission] Ordinance amending Section 54.2 of Chapter 54 of the San Francisco Code to substitute the term president for chairperson and to increase the payment for attendance of commission meetings from \$25.00 to \$50.00 per meeting. (Supervisor Ward)

ACTION: AMENDED. RECOMMENDED AS AMENDED. On line 4, before "and" insert "for the Southeast Community Facility Commission". AMENDED TITLE: "Amending Section 54.2 of Chapter 54 of the San Francisco Administrative Code to substitute the term president for chairperson of the Southeast Community Facility Commission and to increase the payment for attendance of commission meetings from \$25.00 to \$50.00 per meeting."

5. File 101-89-38. [Government Funding] Ordinance appropriating \$41,000, Fire Department, for equipment (automobile vehicles). (Controller) RO 9085

ACTION: CONTINUED TO THE CALL OF THE CHAIR.

6. File 100-89-19. Requesting release of reserved funds, Fire Department, in the amount of \$3,254,348, for the construction of eight cisterns in the Bayview/Hunters Point District. (Fire Dept.)

ACTION: RELEASE OF \$3,254,348 APPROVED; FILED.

7. File 31-89-15. [Employee Replacement] Resolution approving immediate filling of vacated position of one (1) H32 Captain, Division of Fire Prevention and Investigation, Fire Department. (Fire Commission)

ACTION: RECOMMENDED.

8. File 101-89-41. [Government Funding] Ordinance appropriating \$100,000, Department of Social Services, for professional services (housing referral program for homeless people). (Controller) RO # 9103

ACTION: CONTINUED TO NOVEMBER 1, 1989, MEETING.

9. File 101-89-42. [Government Funding] Ordinance appropriating \$575,000, Department of Social Services, for professional services (multi-services center for homeless people). (Controller) RO #9101

ACTION: CONTINUED TO THE CALL OF THE CHAIR.

10. File 97-89-46. [Revolving Funds] Ordinance amending Chapter 10 of the San Francisco Administrative Code by amending Section 10.157 to increase the Department of Social Services Revolving Fund to \$20,000; and by adding Sections 10.157-1 and 10.157-2, to establish separate revolving funds for the Department of Social Services Aid to Families With Dependent Children Program and the Department of Social Services General Assistance Program. (Dept. Social Services)

ACTION: RECOMMENDED.

11. File 28-89-14. [Emergency Work] Resolution authorizing the Director of Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to restore the integrity of the sewer on Cosmo Place, Taylor Street to Jones Streets. (Dept. Public Works)

ACTION: AMENDED. RECOMMENDED AS AMENDED. On line 20 replace "\$181,216" with "\$186,216".

12. File 101-89-37. [Government Funding] Ordinance appropriating \$75,000 for professional services, Public Defender, for fiscal year 1989-90. (Controller)

ACTION: AMENDED. RECOMMENDED AS AMENDED. Place \$37,500 on reserve. AMENDED TITLE: "Appropriating \$75,000 for professional services, Public Defender, for fiscal year 1989-90; placing \$37,500 on reserve."

13. File 84-89-5. [Project Lease] Ordinance approving and authorizing the execution and delivery of property purchase agreement, a purchase and sale assignment, a facilities lease, a trust agreement, an assignment agreement and a purchase contract in connection with the City and County of San Francisco certificates of participation (1155 Market Street Project); authorizing preparation and execution of an official statement; authorizing and ratifying execution of other documents reasonably necessary for the issuance, sale and delivery of the certificates of participation; and adopting findings pursuant to City Planning Code Section 101.1, all in connection with the project. (Chief Administrative Officer).

ACTION: CONTINUED TO NOVEMBER 8, 1989, MEETING.

14. File 187-89-2. [Trial Court Funding] Resolution electing to become subject to the provisions of the State Trial Court Funding Program for the period July 1, 1990, through June 30, 1991. (Controller)

ACTION: RECOMMENDED.

15. File 101-89-43. [Government Funding] Ordinance appropriating \$790,923, Superior Court and County Clerk, for permanent salaries and related mandatory fringe benefits, uniforms, fees and other compensation (visiting judges), telephones, janitorial services, office machine rental, electricity, heat and water, office supplies, rental of property, data/word processing equipment, office equipment and services of other department - Public Works - Building Repair, for the creation of five (5) positions (Controller) RO #9094 (COMPANION TO THE FOLLOWING FILE).

ACTION: CONTINUED TO THE CALL OF THE CHAIR.

16. File 102-89-15. [Public Employment] Ordinance amending Annual Salary Ordinance 1989-90), Office of the County Clerk and Superior Court, reflecting the addition of five positions (Classifications (2) 8113 Court Clerk, (1) 8106 Legal Process Clerk and (2) 0710 Phonographic Reporter). (Civil Service Commission). (COMPANION TO THE PRECEDING FILE)

ACTION: CONTINUED TO THE CALL OF THE CHAIR.

17. File 79-89-4. [Dispute Resolution Program Fund] Resolution approving the Dispute Resolution Program, establishing monitoring responsibilities for the Mayor's Office of Community Development, and authorizing the Mayor's Office of Community Development to administer the Dispute Resolution Program.

ACTION: RECOMMENDED.

18. File 101-89-48. To consider need for appropriations for Emergency Earthquake Relief and services. (Supervisor Walker)

ACTION: CONTINUED TO NOVEMBER 1, 1989, MEETING.

19. File 7-89-6. [Modifications to Issuance Criteria for Transit Discount Card] Resolution approving modifications to the criteria for issuance of the Regional Transit Connection Discount Card in accordance with Charter Section 3.598. (Public Utilities Commission)

ACTION: RECOMMENDED.

20. File 51-89-3. Transmitting claims of employees, various departments for reimbursement for personal property damaged and/or stolen in the line of duty. (Various Departments)

ACTION: DELETE DAVID FONG, MUNICIPAL RAILWAY. REMAINING ITEMS RECOMMENDED. RESOLUTION PREPARED IN AND REPORTED OUT OF COMMITTEE. ENTITLED: "Authorizing reimbursement for cost of personal property of City and County employees damaged and/or stolen in the line of duty."

CLOSED SESSION

21. File 45-89-45. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Harry Hunt against the City and County of San Francisco by payment of \$11,000. (City Attorney) (Superior Court No. 900-092)

ACTION: RECOMMENDED.

22. File 48-89-12. [Settlement of Claim] Resolution approving the settlement of the unlitigated claim of Wanda D. Wilson by payment of \$6,250. (City Attorney)

ACTION: CONTINUED TO NOVEMBER 1, 1989, MEETING.

CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

### BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 552-9292

October 25, 1989

TO: Finance Committee  
FROM: Budget Analyst  
SUBJECT: October 25, 1989 Finance Committee Meeting

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Item 1 - File 97-89-12

**Note:** This item was continued by the Finance Committee at its meeting of October 11, 1989.

1. The proposed ordinance would amend the Administrative Code by adding Section 10.11-1, authorizing all officers, boards and commissions of the City to accept payment of fees and other charges by credit card for services provided by the City. Credit card payments would have to be made in person and not by telephone or mail, and would only be accepted for payments of \$10 or more.

2. According to the City Attorney, California Government Code Section 6159 authorizes cities to accept credit cards for certain types of payments, including the deposit of bail or fines for parking tickets or misdemeanors, for payment of car towage or storage fees resulting from parking violations, or for payment of other charges or fees for services rendered by the City. Section 6159 does not permit the use of credit cards for making other payments, such as property or payroll taxes.

### Comments

1. The attached report, prepared by the City's Treasurer, provides a summary of some of the advantages and disadvantages of the proposed ordinance. The advantages include convenience to the payor, a possible reduction in bad checks received, and quicker deposit of funds to the City's accounts. The disadvantages include payment delays involving disputed charges, the need to set aside City funds to pay bank service fees and therefore a reduction in funds available for investment, the need for training for employees involved with credit card payments, and the need for additional administrative time to reconcile disputed charges.



2. The Treasurer reports that the credit card discount fee, which is the monthly charge for credit card transaction processing, would cost the City approximately two percent of the credit card charges. Additional monthly bank charges include account maintenance, computer terminal rental, computer time, and fees for deposits, couriers and balance reports. The Treasurer indicates that the actual monthly costs to the City would depend on the dollar amount and the number of credit card transactions, and the Treasurer is unable to provide an estimate of the actual costs to the City without this information.

3. The Treasurer advises that the proposed legislation should require City departments to obtain approval of the Treasurer prior to establishing systems for credit card payment. The Treasurer indicates that this additional requirement would allow the Treasurer to ensure that credit card payments would be cost-effective for the department requesting the system. The Budget Analyst concurs with the Treasurer that new credit card payment systems should be approved by the Treasurer.

4. Article X, Section 10.57A of the Administrative Code currently authorizes the Municipal Court and the Police Department to accept credit card payments for bail for misdemeanor offenses and for traffic fines. According to Mr. Tom Carrick of the Treasurer's Office, the Municipal Court collects approximately \$90,000 to \$100,000 per month in traffic fines and misdemeanor bail payments, from which approximately \$1,800 to \$2,000 is deducted for the bank's discount fee. Other monthly charges total approximately \$2,000. If these traffic fine and misdemeanor bail payments were paid in cash or by check, the City could have realized an additional amount of approximately \$4,000. The experience of the Municipal Court may or may not represent the experience of other City departments, should credit card payments be authorized City-wide.

### Recommendation

Approval of the proposed ordinance, which would provide a convenience to the public at an indeterminable cost to the City, is a policy matter for the Board of Supervisors. If the Board approves the proposed ordinance, amend the legislation to require that departments receive approval of the Treasurer prior to the establishment of a new credit card payment system.



Proposed legislation for accepting payment by credit card for services rendered by the City and County of San Francisco.

There is proposed legislation by Supervisor Kennedy which would allow City and County departments to accept payment by credit card for services rendered. The minimum acceptable payment is \$10.00.

In reviewing this legislation and the possible effects on the City and County, especially the Treasurer's Office, there are some advantages and many disadvantages associated with this legislation.

#### Advantages

- A. Convenience to payor. Payor can pay by credit card rather than carry cash.
- B. A possible reduction in bad checks issued. This advantage is offset somewhat by a disadvantage indicated below. (Disadvantage B)
- C. If the department(s) use an electronic terminal, similar to the current Municipal Court traffic citation/bail system, each payment would be immediately credited to the City's account at time of transaction. This would eliminate the delay in deposit of funds. Also no float would be involved in a deposit. However, if a manual system is employed, there would be a delay in deposit of transaction slips, but with no float involved.

#### Disadvantages:

- A. Under Federal law, when a credit card holder disputes an item on the credit card statement, the bank will remove the item and chargeback the merchant (City and County of San Francisco) the item purchase price plus interest from the date of posting to date of chargeback.

Should this occur, an individual who has made payment by credit card can dispute the charge on the monthly statement and the bank will reduce the merchant's account by the disputed account plus interest. If this happened to a city's account, the payor could be long gone before the department could recover the deducted funds from the payor. This disadvantage partially reduces Advantage B above.

- B. If a credit card system is implemented, either an electronic or manual system, funds will be placed in a City designated bank account which will require a compensating balance or direct payment for services provided by the bank. As a result, the funds used to pay the bank cost will not be available for investment purposes, therefore reducing investment income.



- C. In using a credit card payment system, the bank charges the merchant a discount fee for the processing of the credit card transaction. The current rate charged by Security Pacific National Bank for processing the Muni Court's transactions is 1.77%. Note: If a manual system was in place, the rate would be over 2%. This fee is charged on the monthly bank statement as a debit to the account.

As a result of this fee, revenues of the City and County would be reduced by the amount of the fee (at least 1 - 2%). As the fee rate increases and transaction volume, the more revenues will be lost to the city.

- D. Additional costs will be incurred with the selection of either an electronic or manual system.

Costs are as follows:

<u>Service</u>	<u>Electronic</u>	<u>Manual</u>
1. Account Maintenance (per month)	\$ 13.00	\$ 13.00
2. Branch deposit (per deposit)	1.25	1.25
3. Debits (per item)	.12	.12
4. Balance report (per month)	75.00	75.00
5. Connect time (per minute)	.3333	.3333
6. Computer printed item (per item)	.20	.20
7. FDIC (per collected balance)	.058%	.058%
8. Terminal rental (per terminal)	50.00	50.00
9. Courier (per month)	100.00 +	100.00 +

The actual cost per month will depend on transaction volume or collection balance.

- E. Should this legislation be law, there is the question as to which departments will decide to accept this type of payment. Of those that do, they will have to be advised that:
1. Their designated staff will have to be fully trained in the preparation and completion of the transaction sales slips. Payment by credit card will take longer than by check or cash as bank authorization for each transaction must be obtained and transaction slip completed.
  2. New reconciliation procedures to conform with Treasurer's Office and Controller reporting and reconciling requirements.
  3. Avoid the experience of Municipal Court in dealing with credit card transactions both with manual and electronic systems.



4. Under state law, the payment of Real Estate taxes cannot be accepted by credit card. However, as a state law, it could be changed.
- F. Should any city department decide to accept credit card payments, they should:
1. Receive approval from the Treasurer's Office and Controller prior to accepting credit card payments.
  2. Require that the minimum credit card transaction be \$100.00. Unless the transaction dollar volume is able to cover the city's bank charges through analysis, additional funds will have to be placed in the account for a period of time to maintain sufficient balances for analysis requirements. As a result, these additional funds will not be available for investment purposes.

NOTE: The above request will allow the Treasurer and Controller to review and determine if this method of payment is feasible and cost effective.

G. Changes in the Treasurer's Office:

1. Possible new reconciliation headaches.
2. Bidding process for selection of bank to process credit card transactions.
3. A drop of 1 - 2% in revenue due to the discount fee charged by the bank. This fee is automatically deducted from the account based on the prior month's activity.



Item 2 - File 12-89-24

1. The proposed resolution would support an increase in the State's alcoholic beverage tax. The proposed resolution would also support dedicating the increased revenues from the increased tax to alcohol and drug abuse related services. If the proposed resolution is approved, copies of this resolution would be forwarded to the Mayor for transmission to the State Legislative Advocate for presentation to the San Francisco delegation in the State Legislature and the Governor with the request that all actions necessary and appropriate to carry out the intent of this resolution be expedited.

2. The current rate of alcoholic tax varies by type of beverage. In general, current excise taxes are imposed on each gallon of alcoholic beverage at the following rates:

<u>Alcoholic Beverage</u>	<u>Excise Tax Per Gallon</u>
Wine	1¢
Dessert Wine	2¢
Sparkling Wine	30¢
Beer	4¢
Distilled Spirits	\$2.00

In addition, all alcoholic beverages sold in California are assessed sales taxes based on the retail value of the beverage sold. San Francisco currently has a sales tax rate of 6.5 percent.

3. Mr. Joe Cucchiara, consultant to those California counties that are supporting the increase in the alcoholic beverage tax, reports that the current alcoholic beverage tax has been in effect since 1937. The proposed State Ballot Initiative would increase the alcoholic beverage tax 5¢ per unit of alcoholic beverage, according to the following units: 12 ounces of beer, 5 ounces of wine, 3 ounces of fortified wine and 1.0 ounces of distilled spirits. The tax would be assessed at the point of wholesale. As an example, the proposed increase in tax rates would translate to an additional tax of \$1.28 per gallon of wine.

4. Mr. Cucchiara reports that based on the current year's rate of consumption of alcoholic beverages, the increase in taxes would result in approximately \$800 million of additional annual tax revenues. The proposed draft initiative would allocate more than 75 percent of the increase in revenues, or approximately \$600 million, directly to counties for more than ten specified programs related to alcohol and drug treatment services. Allocation of the revenues would be based on a \$150,000 minimum to each county plus an additional share based on each county's share of the total State population. Mr. Cucchiara estimates that the annual share for the City and County of San Francisco would be more than \$15,794,286. Additional revenues from this increased alcoholic beverage tax in an undetermined amount would be available to supplement this \$15.8 million amount through programs that are not directly



covered in the initial allocations. The initiative will be filed for qualification for the June 1990 voter ballot shortly and signature gathering will begin in a few weeks.

5. The primary opposition to an increase in the State alcoholic beverage tax is from the wine, beer and alcoholic spirits manufacturers, producers and distributors. Opposition is particularly strong from the wine producing areas of the State. In response to inquiries from the Budget Analyst, the Wine Institute reported that they are opposed to the proposed ballot initiative. The Wine Institute also reported that they have previously supported legislation, which would have resulted in an increase in the State's wine excise taxes, although at a more modest level than the proposed ballot initiative.

6. The County Supervisors Association of California (CSAC) was originally supporting the proposed legislation. However, CSAC informed the Budget Analyst that CSAC has now decided to take no position on the proposed increase in the State's alcoholic beverage tax.

7. According to Mr. Cucciara there are protections in the proposed ballot initiative that prohibit the State from using revenues from this tax to supplant current State per capita expenditures for alcohol and drug programs. However, the Budget Analyst notes that there are no similar provisions in the proposed ballot initiative which would preclude counties from using the new revenues to offset existing General Fund monies that are allocated for local alcohol and drug treatment purposes.

#### Recommendation

The proposed resolution is a policy matter for the Board of Supervisors.



Item 3 - File 97-89-43

**Department:** City Attorney

**Item:** Ordinance amending the San Francisco Administrative Code to create a special fund.

**Description:** The proposed ordinance would amend the Administrative Code by adding Section 10.117-92 to create a Worksite Infant Care Center Special Fund for the purpose of receiving donations of money offered to the City for support of the Worksite Infant Care Center.

The City Attorney has set aside approximately 500 sq. ft. of space for the operation of a Worksite Infant Care Center within space leased for the Department on the mezzanine level of the Fox Plaza Building at 1390 Market Street. The Center would be a pilot program, under the general direction of the City Attorney and would be operated by North of Market Childcare and Development Center, a non-profit agency. Infant care services would be provided for City Attorney employees for approximately six infants. The costs to operate the center would be paid for, on a monthly basis, by fees charged to the employees who use the services of the center.

**Comments:** 1. The City Attorney reports that currently, fundraising activities are being undertaken by City Attorney employees to establish a revenue source for unanticipated costs, in excess of the monthly fees, which might develop in connection with the operation of the infant care center.

2. Although the Board of Supervisors is being requested to approve the establishment of this proposed Worksite Infant Care Center Special Fund, the donations to be received by the Special Fund would not be subject to appropriation of the Board of Supervisors.

**Recommendation:** Amend the proposed ordinance to require that all monies in excess of \$1,000, which are deposited to the proposed Worksite Infant Care Center Special Fund, be subject to appropriation by the Board of Supervisors and approve the proposed ordinance as amended.



Item 4 - File 97-89-44

**Item:** Ordinance to amend Administrative Code Section 54.2 which establishes the Southeast Community Facility Commission to substitute the title "President" for the current "Chairperson", and to increase the payment to Commissioner for attendance at Commission meetings from \$25 to \$50 per meeting.

**Description:** The seven member Southeast Community Facility Commission was established by ordinance in November, 1987 to provide guidance concerning business activities, facilities operations, budgetary matters, and related concerns involving the greenhouse, skills centers, and other centers and activities at the Southeast Community Facility. The Commission members are appointed by the Mayor, and are compensated at a rate of \$25 per meeting, for each Commission meeting and Committee meeting attended but not to exceed \$100 per month for such meetings.

The Commission appoints an Executive Director to manage the daily activities of the Southeast Community Facility. However, to date, no Executive Director has been appointed.

**Comments:** 1. Mr. Alex Pitcher, Manager of Public Affairs for the San Francisco Clean Water Program, oversees the physical plant of the Southeast Community Facility, and is assisting the Commission pending appointment of an Executive Director. Mr. Pitcher states that the Commission members feel the change of title from Chairperson to President will help bring the stature of the Commission more in line with that of other City commissions.

2. Mr. Pitcher also states that the Commission members submit that the requested increase in the members' stipend from \$25 to \$50 per meeting is commensurate with the time and effort required of the Commission members before, during and after the Commission meetings. Mr. Pitcher states that his review suggests that \$50 per meeting is in the mid-range of stipends paid to members of other City Commissions. The Commission currently meets twice monthly, with each member participating in committees as well. In any event, the maximum compensation would remain at \$100 per month per member.



Based on actual attendance from the first meeting on December 8, 1988 through September 1989, the average monthly amount paid to Commissioners was \$418 or approximately \$5,025 on an annual basis. If this legislation were approved and the same number of meetings were attended, based on the proposed stipend of \$50 per month, the total amount paid to Commissioners would be \$8,400 because Commissioners would be earning the maximum \$700 monthly stipends (\$100 per month for seven Commissioners for 12 months).

3. The Mayor's Committee on Commissions has compiled information about City commissions, including compensation paid to commission members. A review of that compilation reveals that commission stipends range from a low of \$25 per month for two monthly meetings (Human Rights Commission) to a high of \$100 per month for one monthly meeting (Airport Commission). Most City commissioners receive a stipend of \$25 to \$50 per meeting.

**Recommendation:** The proposed change of title from Chairperson to President and the increase in Commission stipend from \$25 to \$50 per meeting is a policy decision for the Board of Supervisors.



Item 5 - File 101-89-38

**Department:** Fire Department

**Item** Supplemental Appropriation Ordinance to fund the purchase of two Command Vehicles

**Amount:** \$41,000

**Source of Funds:** Public Safety Reserve

**Description:** In appropriating the 1989-90 budget, a \$3,600,000 Public Safety Reserve was established. The proposed Supplemental Appropriation Ordinance would appropriate \$41,000 from the \$3.6 million Reserve for the purchase and outfitting of two Command Vehicles. A Command Vehicle is a small enclosed truck that is outfitted with special cabinets to carry maps, data on water supply and utilities, and earthquake safety information. The Fire Department currently has two such Command Vehicles.

The proposed new equipment is budgeted as follows:

2 - Command Vehicles (\$17,000 each)	\$34,000
Outfitting (\$3,500 per vehicle)	<u>7,000</u>
Total	\$41,000

**Comment:** Assistant Chief James Lynch reports that the Fire Department is considering two different Chevrolet models, (a) the four-wheel drive Blazer model (both existing Command Vehicles are Blazers) and (b) the two wheel drive Suburban model. Both models can be obtained for approximately \$17,000 each.

**Recommendation:** Approve the proposed Supplemental appropriation Ordinance.



Item 6 - File 100-89-19

**Department:** Fire Department

**Proposed Action:** Release of reserved funds previously approved for capital improvement projects. The funds were reserved pending submission of detailed cost estimates for the purchase and installation of high pressure water systems.

**Amount:** \$3,254,348

**Source of Funds:** 1986 Fire Protection Bond (Proposition A) funds

**Description:** In November, 1986, City voters approved the issuance of Fire Protection System Improvement Bonds (Proposition A). Funds from the bond sale in the amount of \$46,200,000 are to be used for the improvement of the City's fire protection system.

In September, 1987, the Board of Supervisors approved the Fire Department's \$29,364,300 supplemental appropriation from the 1986 bond funds for capital improvement projects (File 101-87-13) and placed on reserve \$14,092,300 for the purchase and installation of high pressure water systems pending submission of the detailed cost estimates.

The Fire Department is now requesting release of \$3,254,348 of the \$14,092,300 in reserved funds for high pressure water systems purchase and installation costs, as follows:

Construction of eight cisterns in the Bayview Hunter's Point area	\$2,791,000
Contingencies (10%)	279,000
Construction Management (Department of Public Works)	<u>184,348</u>
Total	\$3,254,348

**Comments:** 1. The Fire Department received five bids for the construction of the eight cisterns and selected the lowest bid of \$2,791,000 for the construction costs from a joint venture of Ranger Pipelines, Inc., and A. Ruiz Construction Company & Associates, Inc. The five bids received are as follows:



	<u>Preference Requested</u>	<u>Construction Bid</u>
Ranger Pipelines, Inc., and A. Ruiz Construction Company & Associates, Inc., a Joint Venture	MBE,LBE	\$2,791,000
J. H. Pomeroy & Company, Inc.	None	2,881,000
Kulchin & Associates, Inc., and American Piledriving, Inc., a Joint Venture	MBE,LBE	2,952,000
Stacy & Witbeck, Inc., Nationwide Construction Company, Inc., and West Bay Equipment Company, a Joint Venture	MBE, WBE, LBE	3,493,002
Bay Pacific Pipelines, Inc., and Interlane General Engineering, a Joint Venture	MBE,LBE	3,608,000

**Recommendation:** Approve the release of reserve in the amount of \$3,254,348.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 7 - File 31-89-15

**Department:** Fire Department

**Item:** Resolution authorizing the immediate filling of a vacant position.

**Position:** H32 Captain, Division of Fire Prevention and Investigation

**Retirement Date:** July 22, 1989

**Normal Refill Date:** December 15, 1989

**Proposed Refill Date:** October 14, 1989

**Funding Needed:** \$12,707 (\$288.79/day x 44 days)

**Proposed Funding Source:** Excess Salary Savings

**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

**Comments:**

1. The incumbent Captain, Division of Fire Prevention and Investigation, retired on July 22, 1989, and was paid for 104 days of accumulated sick leave, which prevents refilling this position until December 15, 1989.
2. This position is the Captain of the Fire Prevention section administration and supervises four inspectors and one officer at the Port. This position is also in charge of the Fire Safety Program and supervises the inspector of schools.



3. The Fire Department had intended to fill this position on October 14, 1989. However, due to the approval process required for immediate fillings, the position cannot be filled until October 31, 1989. The funding required to fill this position is \$9,530 for the period from October 31, 1989 through December 14, 1989.

**Recommendation:** Approve the proposed resolution.



Item<sup>8</sup> - File 101-89-41

**Department:** Department of Social Services (DSS)

**Item:** Supplemental Appropriation Ordinance, Department of Social Services, for professional services.

**Amount:** \$100,000

**Source of Funds:** Revenue from Redevelopment Agency

**Description:** The proposed Supplemental Appropriation Ordinance would reappropriate Redevelopment Agency funds to DSS for the establishment of a Housing Referral Program for homeless persons. Originally, the 1989-90 Redevelopment Agency budget provided \$100,000 for a Housing Referral Program and specified that DSS would develop the program for the Redevelopment Agency. However, it was later determined that the proposed program would be more appropriately administered by DSS and that the funds to administer the program would be transferred from the Redevelopment Agency to the DSS.

DSS proposes to administer a professional services contract in which an outside agency will provide counseling and assistance to homeless and General Assistance clients in establishing stable long-term housing arrangements.

DSS issued a request for proposal (RFP) on October 6, 1989. DSS furnished the following timetable for retaining an outside contractor and executing the contract:

October 6, 1989	RFP issued by DSS
October 13, 1989	Bidder's conference
October 20, 1989	2:00 p.m. - Filing deadline for proposals
October 23, 1989	Decision of DSS Review Committee
October 27, 1989	General Manager confirms contractor selection
November 16, 1989	Social Services Commission approves selection of contractor
November 20, 1989	Civil Service Commission approves contract

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December 1, 1989    Contract is finalized

December 15, 1989    Commencement of contract

The RFP requires that the Housing Referral Program for the homeless include:

- 1) Referral services for assisting individuals in locating and moving into permanent housing and facilitating the move into the housing.
- 2) A roommate referral service that would identify and link-up individuals interested in a shared living arrangement and who can demonstrate their ability to maintain a shared arrangement.
- 3) Monitoring of each housing placement to ensure a successful placement.
- 4) Provision of a peer support program that would address problems or concerns that program clients might have and assist other individuals in locating and retaining housing.

The DSS estimates that the program will require four staff positions. The RFP also states that a maximum of \$100,000 will be allocated to the program. DSS has stated that it prefers to not release final budget details until after the RFP process has been completed and a contractor has been selected, because the program budget details may influence the RFP process.

The RFP requires that the contract and contractor conform to the provisions of the City's MBE/WBE/LBE ordinance.

**Comment:**

While the RFP contains MBE/WBE/LBE ordinance provisions, the Department has not selected the contractor, and as such does not yet know the actual bid amount, and the MBE/WBE/LBE allocations, the estimated contractual hours and the hourly rates. In addition, specific budget details will not be released until after DSS has selected a contractor. Ms. Carla Javits of DSS and Ms. Sally Kipper of the Mayor's Office have expressed the opinion that due to the short timeline for selecting the contractor and beginning the program services, reserving the funds pending the provision of contract bid details would delay the startup of the program, because the funds would not be released to DSS in time to pay for contractor services during the initial months. Therefore, to ensure that the program can begin on time, funding for the

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first two months of operation in the amount of \$16,700 should be allocated without reserve, and the remaining \$83,300 should be reserved pending the provision of contract and program budget details by the Department.

**Recommendation:** Amend the proposed ordinance by reserving the amount of \$83,300 pending the provision of the actual bid amount, the estimated contractual hours, the hourly rates, the MBE/WBE/LBE allocations, and specific program budget details. Approve the proposed Supplemental Appropriation Ordinance as amended.



Item 9 - File 101-89-42

**Department:** Department of Social Services (DSS)

**Item:** Supplemental Appropriation Ordinance, Department of Social Services, for professional services.

**Amount:** \$575,000

**Source of Funds:** Homeless Capital Reserve

**Description:** DSS proposes to appropriate monies from a Homeless Capital Reserve account for a professional services contract that would fund the operation of a Multi-Services Center (MSC) for homeless persons. The City's Homeless Master Plan calls for the creation of multi-service centers in various locations. This is the first step in directly providing support services to homeless persons to enable them to move out of the streets and out of temporary shelters and into permanent housing.

DSS plans to operate the MSC at the KGO building located at 277 Golden Gate Avenue. The building would be made available to the City at no cost by the University of California's Hastings College of Law. The proposed use of that building was continued by the Finance Committee to the call of the Chair at its recessed meeting of October 23, 1989 (File 107-89-10).

DSS issued a request for proposal (RFP) for the professional services contract on October 20, 1989, and has furnished the following time line for awarding and executing the contract:

October 20, 1989	RFP issued by DSS
October 27, 1989	Bidders Conference
November 9, 1989	2:00 p.m. Filing deadline for bids
November 13, 1989	Decision of DSS Selection Committee
November 14, 1989	General Manager confirms selection
November 16, 1989	Social Services Commission approves selection of contractor
November 20, 1989	Civil Service Commission approves contract

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December 1, 1989    Contract is finalized

December 15, 1989    MSC begins operation

DSS expects the MSC to serve a maximum of 100 individuals at any given time. The contractor is to provide the following services in the Multi-Service Center to be located at 277 Golden Gate Avenue:

- Shelter Program. The center will provide night-time shelter operating from 8:00 p.m. to 7:00 a.m., seven days a week for approximately 75 men and 25-30 women. Half of the beds will be set aside for individuals who are working with Center staff to develop a stable long-term program for them to move out of the shelter and into permanent housing. The remaining beds will be available to individuals based on a lottery system to be administered by the contractor.
- Day-time drop-in services. Drop-in services will include provision of light food snacks, storage of personal items, showers and washrooms, and telephones for making and receiving employment and housing-related calls. The Multi-Service Center (MSC) staff will be available to assist drop-in clients in establishing a program to obtain housing.
- Day service program. The Day Services program will provide counseling and assistance to clients in establishing housing programs, group meetings such as Alcoholics Anonymous, screening and intake for housing, employment, substance abuse, and other services provided by other public and private agencies.

In addition the MSC staff will provide a separate day-time program for women, with staff experienced in providing services to women. However, women may use either the program for women, or the day service program mentioned above.

Security guards will be assigned to patrol in and around the building. Provisions for security guards have been included in the RFP.



DSS has estimated that the program will cost \$561,536 to fund the period November 1, 1989 through June 30, 1990. Ms. Carla Javits of DSS has requested that the budget details of the program be withheld until after the RFP process has been completed and the contractor has been selected, because the publishing of the program's budget details may influence the RFP process.

The RFP requires that the contract and contractor conform to the provisions of the City's MBE/WBE/LBE ordinance.

**Comments:**

1. The original starting date for the program, as projected by DSS, was November 1, 1989. DSS furnished a budget of \$561,536, as described above. DSS now plans to start the program on December 15, 1989, and has accordingly submitted a revised budget to the Budget Analyst's Office that reduces the budgeted amount from \$561,536 to \$463,740, for a difference of \$97,796. Accordingly, the proposed appropriation of \$575,000 should be reduced by \$111,260 to \$463,740 to reflect the actual estimated costs of the program from the period December 15, 1989 through June 30, 1990 (6 1/2 months).

2. Ms. Sally Kipper of the Mayor's Office has advised the Budget Analyst that the source of funds was in error and that the actual source of funds should be the \$1 million Grant Match Reserve established in the 1989-90 budget. Ms. Kipper further advises that the name of the reserve funds, "Grant Match Reserve," is a misnomer, because the funds are intended to fund programs for the homeless as well as other programs for AIDS and Drug Abuse. The funds do not have to be matched with outside sources as the name implies.

3. The proposal by DSS to establish Multi-Service Centers is a new approach to providing assistance to homeless persons, since these MSC's would offer more services than simply providing temporary shelter which is what the City currently provides. The MSC's would provide support services to enable homeless persons to move off of the streets and out of temporary housing and into permanent housing. This proposed program would serve approximately 100 persons at one time. At a cost of \$463,740 as estimated by DSS, the MSC would be providing service at a rate of approximately \$23 per day (\$448,780 excluding one-time costs, divided by 100 persons, divided by 197 days funded in Fiscal Year 1989-90).

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4. As projected above, the contractor will be selected on or around November 14, 1989. At that time, DSS will know the actual bid cost, the MBE/WBE/LBE allocations, the estimated hours and hourly rates, as well as the specific budget details referred to above. Ms. Carla Javits of DSS and Ms. Kipper of the Mayor's Office have expressed the opinion that due to the short timeline for selecting a contractor and beginning the program operations, reserving the funds pending the provision of contract bid and program budget details would delay the startup of the program, because the funds would not be released to the Department in time to pay for startup costs such as initial payments to the contractor for staff hiring, toilet rentals, minor building modifications, and utility deposits. Therefore, to ensure that the program can begin on time, funding for the first two months of operation, including startup costs, in the amount of \$144,557 should be allocated without reserve (funding for two months of operation, toilet rental, staff hiring, utility deposits, and minor building modifications), and the remaining \$319,183 should be reserved pending the provision of the contract details and a final program budget as specified above.

5. As previously noted, the companion legislation for the proposed use of building space at 277 Golden Gate Avenue was continued by the Finance Committee to the call of the Chair at its recessed meeting of October 23, 1989. Ms. Carla Javits of the Department of Social Services advised the Budget Analyst that the building at 277 Golden Gate Avenue was damaged during the earthquake and that it is uncertain as to whether or not this building will be available for the proposed operation of a Multi-Services Center for homeless persons.

**Recommendations:** 1. Amend the proposed Supplemental Appropriation Ordinance, as requested by the Mayor's Office, by changing the source of funds from Homeless Capital Reserve to Grant Match Reserve.

2. The implementation of the proposed new methodology, pertaining to the operation of a Multi-Services Center that would cost approximately \$23 per person per night, to alleviate the problem of homelessness, is a policy matter for the Board of Supervisors.

3. Should the Board of Supervisors approve the proposed Supplemental Appropriation Ordinance, amend the Ordinance to reduce the appropriation amount by \$111,260, from \$575,000 to \$463,740 to reflect the starting time of the expenditure of funds and reserve the amount of \$319,183 pending the provision by the Department of the actual bid

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amount, the estimated contractual hours, the hourly rates, the MBE/WBE/LBE allocations and the specific program budget details. Further, the Committee may wish to continue this proposed request in order to hear it at the same time that a final disposition has been made on the companion legislation to operate this homeless program at 277 Golden Gate Avenue.

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Item 10 - File 97-89-46

- Department:** Department of Social Services
- Item:** Amendment to the Administrative Code, Article XV, Section 10.157 authorizing a \$14,000 increase in the Department of Social Services' (general) Revolving Fund thereby establishing a \$20,000 fund and the adding of Sections 10.157-1 and 10.157-2 establishing separate revolving funds for the Aid to Families with Dependent Children Program (AFDC) and the General Assistance Program.
- Description:** The proposed ordinance would amend the Administrative Code to increase the size of the Department of Social Services' Revolving Fund to \$20,000, a \$14,000 increase from its present authorized amount of \$6,000. This Revolving Fund is authorized by the Administrative Code and provides DSS with such a fund for day-to-day purchases of \$200 or less.
- Additionally, the proposed ordinance would add Sections 10.157-1 and 10.157-2 to the Administrative Code to establish separate revolving funds for the AFDC and General Assistance programs at \$150,000 each. There is currently established a single revolving fund of \$300,000 with \$100,000 appropriated from the AFDC monies and \$200,000 appropriated from General Assistance monies.
- Comments:** Mr. Ray Sullivan of the Department of Social Services states that the Department may make expenditures of up to \$200 for its daily business transactions. The Department therefore maintains a general Revolving Fund used to provide cash for these routine transactions.
- The increase in the size of the Revolving Fund from \$6,000 to \$20,000 is being sought because the Department has found the current Fund size inadequate for the increased volume of transactions, especially because of increased expenses for the homeless. As a result, the Board of Supervisors approved a \$14,000 increase in this Fund in the Department's 1989-90 budget. However, since the Revolving Fund is authorized and limited to the \$6,000 sum set forth in the Administrative Code, amendment of Administrative Code Section 10.157 is required to increase the Fund to \$20,000.

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Mr. Sullivan states that the \$300,000 Revolving Fund for the AFDC and General Assistance Programs is used to provide monies for immediate need warrants used for welfare recipients and for replacements of mutilated warrants. The single Revolving Fund was established because both AFDC and General Assistance clients were served from the 170 Otis Street locations.

The offices of the General Assistance program have moved to 1440 Harrison Street and the money in the checking account for the Revolving Fund has been divided between two banks in order to maintain better records on expenditures for the two programs. The proposed establishment of two separate Funds, as requested under this proposed ordinance, was recommended by the Controller's Internal Audits Division during a review of DSS accounting practices.

**Recommendation:** Approve the proposed ordinance.



Item 11 - File 28-89-14

**Department:** Department of Public Works (DPW)  
Clean Water Program (CWP)

**Item** Emergency resolution approving the expenditure of funds to repair the sewer pipe under Cosmo Place between Taylor Street and Jones Street. Section 6.30 of the Administrative Code requires Board of Supervisors approval for emergency expenditures in excess of \$25,000.

**Amount:** \$181,216

**Source of Funds:** Clean Water Program Sewer Repair and Replacement Fund

**Description:** The Clean Water Project (CWP) has determined that an existing 14" sewer under Cosmo Place, between Taylor and Jones Streets, is in very poor structural condition which is severe enough to require immediate replacement. The sewer is more than 80 years old, and has numerous cracks, crushed sections and pieces of pipes missing which could cause imminent collapse. Consequently, CWP has declared an emergency to assure immediate repair of the pipes and avoid a hazard to public health and safety.

In accordance with Section 6.30 of the Administrative Code, an expedited bidding procedure was used by CWP. Under the expedited bidding procedure, CWP invited six contractors, including MBE/WBE firms, to bid on the construction work. Based on the selection of the lowest construction bid of \$116,060, CWP awarded the construction contract to the firm of Darcy & Harty on September 29, 1989 to perform the repair work. Darcy & Harty is not an MBE or WBE firm. Project costs are summarized as follows:

CWP Design Engineering	\$ 36,500
DPW Bureau of Engineering	20,000
DPW Bureau of Traffic Engineering	1,450
DPW Bureau of Building Repair	600
Construction(Darcy & Harty)	116,060
Contingency (10%)	<u>11,606</u>
<b>TOTAL</b>	<b>\$186,216</b>

**Comments:** 1. Mr. P. T. Law, CWP Section Engineer, reports that construction is expected to start about October 23, 1989 and the length of time to complete the work is 20 days.

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2. Because the total cost of the work is now estimated to be \$186,216, line 19 of the proposed resolution should be amended from \$181,216 to \$186,216.

**Recommendation:** Amend the proposed resolution to increase the cost amount on line 19 from \$181,216 to \$186,216, and approve the proposed resolution as amended.

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Item 12 - File 101-89-37

**Department:** Public Defender

**Item:** Supplemental Appropriation Ordinance

**Amount:** \$75,000

**Source of Funds:** Jail Overcrowding Reduction Reserve, General Fund

**Proposed Use of Funds:** Fund costs of outside consultants to determine alternatives to spending time in the County jails.

**Description:** A Jail Overcrowding Reduction Reserve was established in the FY 1989-90 budget to fund alternatives to incarceration in order to reduce jail overcrowding. According to Mr. Jeff Brown, Public Defender, the \$75,000 would be used to fund outside consultants for the purposes of determining sentencing alternatives for approximately 50 to 75 cases on a case-by-case basis for the remainder of the current 1989-90 fiscal year. The consultants would recommend alternatives to time being spent in jail, such as community service, drug treatment, California Conservation Corps, confinement at home, etc. The proposed program is a trial program. If the program is successful, the Public Defender will request a similar amount of money to be approved for the FY 1990-91 budget.

According to Mr. Peter Keane, Chief Attorney, Public Defender's Office, attorneys in the Public Defender's Office would present cases to him which the attorneys believe would be appropriate for alternative sentencing. Mr. Keane would review the cases on a case-by-case basis and decide whether to contract with an outside consultant to provide recommendations for alternatives to spending time in the County jails. Such a consulting service is estimated to cost between \$1,000 to \$1,500 per case. Mr. Keane's review would include a background check on the client as well as tests of the cases for the appropriateness of alternative sentencing.

Mr. Keane states that some of the nonprofit agencies which would be considered as consultants are the National Center on Institutions and Alternatives which has proposed 6,000 "Client Specific Plans" in 49 states (according to their literature), Walden House, Huckleberry House and Bridge Over Troubled Waters. Mr. Keane states that the actual consultants chosen would depend upon the particular case.

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**Comments:**

1. Mr. Keane states that although this request would appropriate \$75,000 to the Expert Witness Fund, the Public Defender would separately account for this \$75,000 request. Thus, this appropriation of the \$75,000 would only be used for the alternative sentencing program. Should excess money remain at the end of the year after all bills have been paid, the remaining monies would be returned to the General Fund.

2. Mr. Brown states that other possible methods for alternative sentencing options were not considered by the Public Defender's Office because the outside consultants to be retained under the proposed program would recommend specific alternatives on a case-by-case basis, rather than the Public Defender's Office trying to fit cases to a specific alternative or limited number of alternatives to incarceration in the County jails.

**Recommendation:** Approval of a \$75,000 request to fund a new program to determine alternatives to spending time in the County jails is a policy matter for the Board of Supervisors.



Item 13 - File 84-89-5

**Department:** Real Estate, Public Utilities Commission (PUC) and Hetch Hetchy Project

**Item:** The proposed ordinance would approve and authorize documents concerning the issuance of Certificates of Participation over a 35-year period by the City and County of San Francisco for the acquisition of an office building at 1155 Market Street under a lease-purchase agreement. The building contains 11 floors consisting of 131,100 square feet of usable office space.

**Description:** The Real Estate Department has been considering the purchase of office building space in the Civic Center area in order to relieve the City of paying increasingly higher office rents for various City departments which do not own sufficient office space of their own. The Real Estate Department has found that the 1155 Market Street building is for sale and has encouraged Hetch Hetchy to purchase this building since Hetch Hetchy, together with the PUC Utilities Engineering Bureau, currently occupies four floors of the building consisting of 49,871 square feet of usable office space.

The Chief Administrative Officer is administering the financial arrangements for the proposed purchase of the 1155 Market Street building. According to the CAO's Office, the lease-purchase would be structured so that the City would pay annual debt service in an amount nearly identical to current lease payments for present and future tenants at 1155 Market Street.

The owner of the 1155 Market Street building, Continental Savings Bank, wants to sell the building no later than January of 1990. Section 7.309 of the Charter precludes the lease-purchase of a building through a non-profit agency without a vote of the electorate. Because of the time constraints, the CAO's Office sought an alternative means to finance the lease-purchase of the 1155 Market Street building through the issuance of Certificates of Participation.



The City would finance the proposed acquisition of the 1155 Market Street building through an arrangement with Security Pacific National Bank. The City, through Security Pacific, would issue bonds known as Certificates of Participation. After the issuance and sale of the Certificates of Participation, the City would assign to Security Pacific the City's right to acquire the building and then Security Pacific would lease the building back to the City. When the last certificate matures in approximately 35 years, the title of the building would automatically revert to the City. The proposed ordinance would ratify agreements permitting the City to sell the Certificates of Participation and authorizing the lease of the 1155 Market Street building by the City from Security Pacific.

The estimated costs of acquiring 1155 Market Street are as follows:

Building (acquisition price still in negotiation)	\$21,400,000
Debt Service Reserve Fund	2,561,000
Tenant improvements	700,000
Relocation costs	40,000
Underwriting Costs	343,558
Cost of issuing Certificates of Participation	<u>565,442</u>
Total Estimated Acquisition Costs	\$25,610,000

The City's total estimated costs of both owning and operating 1155 Market Street over the 35 year period from approximately July 1, 1991 through June 30, 2025 are as follows (these costs are still being refined by the CAO's office and are subject to change):



Building Acquisition Costs (as above)	\$25,610,000
Interest Expense on Certificates of Participation	71,059,426
Lost property taxes currently paid to the City	12,069,891
Building maintenance costs	33,529,802
Trustee fees	<u>147,600</u>
Total estimated costs of ownership to City over 35 years	\$142,416,719
Less Interest Earnings from the above Debt Service Reserve Fund and less rental income to be derived by the City from leasing the 425 Mason Street City-owned building*	<u>(26,019,732)</u>
Total Estimated Costs	\$116,396,987

- \* Should the City purchase the 1155 Market Street building, the PUC would move the Water Department's Administrative Offices, and the PUC Bureaus of Management Information and Finance, from their present locations at 425 (City-owned) and 414 (leased space) Mason Street. The City would receive rental income from the lease of the 425 Mason Street City-owned building. These monies are subtracted from the costs of ownership.

Over the same 35-year period, the Department of Real Estate estimates that the City would save approximately \$115,600,677 in rental payments which would be required should the City not purchase the 1155 Market Street building and instead continue to lease office space. This would include savings to the City from the rental payments by the City's present tenants at 1155 Market Street and those City employees that the City would move to 1155 Market Street. The difference between the cost of ownership, \$116,396,987, and the saved rental payments of \$115,600,677, is \$796,310. At the end of 35 years, the City would own the building free and clear.



**Comments:**

1. Under the City's present plans, the Workers Compensation Unit of the Employees Retirement System, currently leasing space at St. Francis Hospital, the Health Services System, currently leasing space at 1212 Market Street, and the Controller's Information Services Division (ISD), currently leasing space at 110 McAllister, will be moving to and leasing space in the 1155 Market Street building before the end of 1989. With these City units leasing space in the 1155 Market Street building, together with the remaining units of the Employees Retirement System, the Hetch Hetchy Project and the PUC Utilities Engineering Bureau (all of which are currently leasing space in 1155 Market Street), the City will already be leasing approximately 68 percent of the rentable space in the 1155 Market Street building.

2. Mr. Gerald Romani of the Real Estate Department has stated that negotiations with Continental Savings over the final purchase price of the 1155 Market Street building are still continuing and that, because of these ongoing negotiations, final cost information is not yet available. Mr. Romani has requested that this item be continued pending completion of these negotiations.

**Recommendation:** Continue the proposed ordinance to the call of the Chair as requested by the Real Estate Department.



Item 14 - File 187-89-2

1. The proposed resolution would confirm the City's election to become subject to the provisions of the State Trial Court Funding program for the period from July 1, 1990, through June 30, 1991 (Fiscal Year 1990-91). The Trial Court Funding program was established in September of 1988. The Trial Court Funding Act establishes provisions for county optional State subsidized trial court funding, as follows:

- The State will provide counties that elect to participate in the program ("option counties") with a block grant for court operations of \$233,709 annually for each judicial position (Judges, Commissioners and Referees) in the Superior, Municipal and Justice Court. A cost of living formula is provided for annual adjustments to the block grant.
- Additionally, the State will supplement the block grant by paying all but \$9,500 of each Municipal Court Judge's annual salary, as is the existing arrangement for Superior Court judges.

2. If San Francisco elects to participate in the program for fiscal year 1990-91, the estimated net impact of these fiscal provisions would be an increase of approximately \$15.2 million in 1990-91 the second full year the program is in effect. It should be noted that these additional funds will not cover all City and County costs for court operations, which are currently approximately \$38.7 million per year. The City has previously elected to participate in the Trial Court Funding Program for Fiscal Years 1988-89 and 1989-90.

3. Other key requirements and impacts of participation in the Trial Court Program are as follows:

- Option counties must maintain the level of expenditure for court operations established in their first full fiscal year (1989-90) of participation in the Trial Court Funding Program. If San Francisco should experience a reduction in revenue in future years and needed to reduce expenditures, this would mean that a greater proportionate share of any reductions in expenditures would have to be borne by City and County departments other than the courts.
- Participation in the Trial Court Funding program will lower the City's 1990-91 Gann Appropriations Limit by approximately \$15.2 million. Estimates of the City and County's 1990-91 Gann Limit are not available at this time.

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**Comments**

In February 1989 the Board of Supervisors, committed by resolution, that no less than one-third of the 1989-90 Trial Court Funding block grant would be received by the Municipal and Superior Courts. All Trial Court Funding block grant monies not going directly to the courts is credited to the General Fund, which finances court operations.

**Recommendation**

Approve the proposed resolution.

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Items 15 and 16 - Files 101-89-43 and 102-89-15

**Department:** Superior Court and County Clerk

**Items:** Supplemental Appropriation Ordinance (File 101-89-43) to pay for personnel and operating costs necessary to establish two courts outside of City Hall.

Annual Salary Ordinance Amendment (File 102-89-15) to create five new positions of support staff for the proposed two new courts.

**Amount:** \$790,923

**Source of Funds:** General Fund-General Reserve

**Description:** Under the authority of State Government Code Section 68073, the Superior Court Presiding Judge proposes the creation of two new courts because of a dramatic increase in the backlog of civil cases (mainly due to new asbestos cases and previous asbestos cases that must be reheard). Mr. Don Dickinson, Administrator of the Superior Court, reports the following case inventory statistics (the case inventory is the number of cases ready for trial):

April, 1988	1,239
August, 1988	1,665
August, 1989	2,381

Mr. Dickinson indicates that 95% of normal civil cases are settled before going to trial but only 40% of asbestos cases are settled without a trial. Further, according to Mr. Dickinson, because Johns Mansville (a major manufacturer of asbestos products) declared bankruptcy, many cases that had been decided against Johns Mansville must now be reheard.

The Superior Court currently has 29 Judges and 10 Commissioners but only 34 courtrooms. The Superior Court proposes renting approximately 7,000 square feet of space for two new courtrooms and staffing the new courtrooms with Visiting Judges (outside judges on contract with the Superior Court) and the proposed five new civil service positions.

The proposed Ordinance (File 102-89-15) to amend the 1989-90 Annual Salary Ordinance would create five new permanent positions to be classified at a future meeting of the Civil Service Commission, as follows:

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<u>Number</u>	<u>Classification</u>	<u>Biweekly Salary</u>	<u>Annual Top Step Salary</u>
2	8113 Court Clerk	\$1,298-1,573	\$81,796
1	8106 Legal Process Clerk	\$814-984	25,584
<u>2</u>	0710 Court Reporter	\$3,412-4,465*	<u>107,160</u>
5	Total		\$214,540

\* Monthly salary range.

The proposed Supplemental Appropriation Ordinance (File 101-89-43) would fund the proposed five new permanent positions, two Visiting Judges, and operating costs from October 16, 1989, through June 30, 1990, (8 1/2 months), and would fund one-time equipment and remodeling costs as follows:

Personnel Costs

Permanent Salaries	\$152,662
Mandatory Fringe Benefits	34,821
Visiting Judge	129,500
(Two Judges @ \$350 per day for 185 days)	

Operating Costs

Telephones	2,500
Janitorial Service	10,000
Office Machine Rental (copier)	4,250
Electricity, Heat and Water	5,100
Rental of Property (one year)	240,000
Office Supplies	1,000

DP/Word Processing Equipment (one time costs)

2 Terminals and Modems	12,400
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Office Equipment (one time costs)

2 P.A. Systems	10,000
100 Auditorium Chairs	25,000
29 Jury Chairs	22,400
2 Judges' Chairs - Bench	1,800
2 Judges' Chairs - Chambers	900
24 Chairs - Council	6,600
6 Chairs - Clerk, Bailiff, Reporter	1,080
6 Tables - Council	2,700
2 Tables - Judges	860
8 Desks - Judge, Clerk, Bailiff, Reporter	3,600
6 File Cabinets	1,800
8 Book Cases	1,000
2 Typewriters	950

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<u>DPW Building Repair - Remodeling</u>		
<u>(one time costs)</u>		
2 Courtrooms	\$80,000	
2 Rest Rooms	20,000	
Wiring	<u>20,000</u>	
Subtotal		<u>\$120,000</u>
Total		\$790,923

**Comments:**

1. Section 68073 of the State Government Code provides that the County Board of Supervisors shall provide suitable rooms and chambers for the Superior Court and that if the Board of Supervisors fails to do so the Superior Court may direct the County Sheriff to provide the necessary rooms and chambers. The costs of rooms, chambers and operations are to be borne by the County Treasury.
2. The Superior Court is currently considering two possible sites for the new courts, the Fox Plaza Building at 1390 Market Street and 590 Van Ness.
3. The Electronic Information Processing Steering Committee (EIPSC) has not reviewed or approved the proposed purchase of two computer terminals and modems and, therefore, the request of \$12,400 to fund this equipment should be reserved pending final EIPSC approval.
4. All other items of the proposed Supplemental Appropriation Ordinance should also be reserved because all proposed expenditures are contingent on locating a suitable site. When a site will be obtained is not determinable at this time. Furthermore, the \$120,000 requested for remodeling by the DPW Bureau of Building Repair is a very rough estimate and should be reserved pending more precise estimates based on the site finally selected.
5. The annualized costs of the proposed two new courts, excluding one time costs, is approximately \$720,000.

- Recommendations:**
1. Approval of these items to create two new court facilities and the related costs is a policy matter for the Board of Supervisors.
  2. Should the Board of Supervisors approve the creation of the two new court facilities and the related items requested, the total funding should be appropriated but reserved for the reasons detailed in Comments 3 and 4 above.

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Item 17 - File 79-89-4

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** The proposed resolution would approve the Dispute Resolution Program for the period October 1, 1989 through September 30, 1990, would establish MOCD's monitoring responsibilities, would extend the work programs for existing contractors, and would authorize MOCD to administer the Dispute Resolution Program from a 9% allocation of the total program's budget.

**Source of Funds:** Special Revenue Fund - Dispute Resolution Program (\$3.00 surcharge on various Municipal and Superior Court filing fees).

**Description:** In December of 1986 the City and County of San Francisco established a funding source for a Dispute Resolution Program in accordance with the State Dispute Resolution Programs Act of 1986 by adding a \$3.00 surcharge to various Municipal and Superior Court filing fees. By October 1988 sufficient funds from the surcharges had accumulated to fund a local Dispute Resolution Program as approved by the Board of Supervisors (Files 101-88-15 and 338-88-1), totalling \$229,842 for the one year period October 1, 1988, through September 30, 1989. The Dispute Resolution Program provides an alternative to formal court proceedings for the settlement of disputes by assembling panels of specialists to hear the disputant's argument and then to render a non-binding decision regarding the dispute.

The proposed resolution would extend the City's Dispute Resolution Program for an additional year, October 1, 1989, through September 30, 1990, as follows:

Contract Services (same contractors used from October 1, 1988 through September 30, 1989)

Community Boards (1,147 cases* @ \$92/case)	\$105,545	
California Community Dispute Services (947 cases* @ \$95/case)	90,000	
California Lawyers for the Arts (104 cases* @ \$96/case)	<u>10,000</u>	
Total Contract Services		\$205,545

\*The number of cases to be provided was determined by dividing the available funding by the per case cost.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



<u>MOCD Administration</u>	<u>FTE</u>	
Senior Clerk Typist	0.05	\$ 1,120
Senior Accountant	0.11	3,413
Senior Community Development Specialist.	0.2	7,825
Supervising Community Development Specialist	<u>0.1</u>	<u>6,087</u>
	0.46	\$18,445

Routine travel (to Sacramento  
to meet with State Department  
of Consumer Affairs) 600

Printing and Reproduction 600

Materials and Supplies 900

Total- MOCD Administration (9%  
of program total) \$20,545

Program Total \$226,090

**Comments:**

1. The proposed resolution would extend the work programs for the existing contractors for an additional year, from October 1, 1989 through September 30, 1990. According to MOCD these contractors have performed satisfactorily during the 1988-89 program year.

2. The per case costs for the existing contractors have been reduced from the current year to the proposed year as follows:

Community Boards - from \$111 to \$92  
California Community Dispute Services - from \$107 to \$95  
California Lawyers for the Arts - from \$100 to \$96

3. MOCD has advised that it will be submitting a supplemental appropriation ordinance request shortly in the amount of \$226,090. However, services will continue to be provided by the existing contractors from October 1, 1989. Therefore that pending ordinance request, if approved, would be retroactive from October 1.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 18 - File 101-89-48

1. This is a hearing to discuss the need for appropriations for emergency earthquake relief and services.

2. As of the writing of this report, a full accounting of costs now being incurred by City departments as a result of the earthquake emergency has not been compiled. City departments are using already appropriated funds for such purposes as overtime pay and emergency services. All department heads have been given general instructions to carefully document extraordinary and incremental costs resulting from the emergency for purposes of claiming disaster relief funds.

3. A central task force has been formed to address the cost accounting needs of the City for purposes of claiming available funds through State and Federal governments.



Item 19 - File 7-89-6

**Department:** Municipal Railway (MUNI)

**Item:** Resolution to approve two modifications pertaining to the criteria for disabled persons to obtain Regional Transit Connection Discount Cards (discount cards).

**Description:** MUNI is a member of the Regional Transit Association of the Bay Area (RTA) which also includes as members: Alameda County (AC), BART, Contra Costa County, Golden Gate, SAM-Trans, Santa Clara County and Vallejo transit systems. In 1984, RTA established uniform criteria for issuing discount cards to qualified disabled persons and senior citizens. These discount cards entitle individuals to reduced fares on the RTA transit systems and on the CAL-Train system. For example, MUNI sells its \$28 FAST PASS for \$4.50 and charges 15¢ instead of the standard 85¢ fare to holders of the discount cards.

RTA has proposed two modifications to the criteria for disabled persons to obtain discount cards: 1) expanding the list of professionals who can certify persons as eligible for discount cards; and 2) approving a new category of fare-discount eligibility entitled "Chronic Progressive Debilitating Disorders". All eight RTA members must approve the proposed modifications in order for the modifications to be implemented.

**Modification 1:**  
**Expanding the list of professionals who can certify persons as eligible for discount cards**

Currently, the RTA criteria require that only licensed physicians are permitted to certify disabled persons as eligible for a discount card. This proposed modification to the criteria for disabled persons to obtain discount cards would expand the list of professionals permitted to certify persons as eligible for discount cards to all professionals licensed by the State to diagnose qualifying disabilities. In addition to licensed physicians, the proposed expanded list of professionals who would be permitted to certify persons as eligible for discount cards includes the following:

Podiatrists,  
Optometrists,  
Audiologists,  
Clinical Psychologists, and  
Chiropractors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



According to Tom Rickert, MUNI Manager, Elderly and Handicapped Programs, RTA and MUNI staff believe that although all of the eligible disabled persons who have wanted a discount card have been certified by a licensed physician and have received a discount card, expanding the list of professionals as proposed would make it easier and less expensive for disabled persons to become certified in the future. Expanding the list of professionals as proposed would not change the medical criteria used for certification and would not increase the number of disabled persons currently eligible for a discount card according to the Public Utilities Commission.

**Modification 2:**

**Approving a new category of fare-discount eligibility entitled "Chronic Progressive Debilitating Disorders"**

Currently AIDS and ARC patients have been certified by physicians as disabled persons and eligible for discount cards. Because of existing City policies regarding the support of AIDS and ARC patients, physicians have determined AIDS and ARC patients to be eligible for discount cards even though according to Mr. Rickert, these patients may not have strictly met the RTA technical medical criteria for discount card eligibility. This proposed modification to the criteria for disabled persons to obtain discount cards would create a new category of discount card eligibility entitled "Chronic Progressive Debilitating Disorders". Physicians could determine AIDS and ARC patients to be eligible in accordance with strict criteria, for discount cards under this proposed new category.

The proposed new category of Chronic Progressive Debilitating Disorders is defined in the proposed resolution as follows: "Individuals who experience chronic and progressive debilitating diseases that are characterized by constitutional symptoms such as fatigue, weakness, weight loss, pain and changes in mental status that, taken together, interfere in the activities of daily living and significantly impair mobility. Examples of such disorders include :

1. Progressive and uncontrollable malignancies (i.e., terminal malignancies or malignancies being treated with aggressive radiation or chemotherapy).
2. Advanced connective tissue diseases (i.e., advanced stages of disseminated lupus erythematosus, scleroderma, or polyarteritis nodosa).

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



3. Symptomatic HIV infection (i.e., AIDS or ARC) in Center for Disease Control (CDC)-defined Clinical Group IV, Subgroups A-E."

Mr. Rickert states that MUNI and RTA analyses indicate that the adoption of the proposed modifications to the criteria for disabled persons to obtain discount cards would not significantly reduce MUNI revenues.

**Recommendation:** Approve the proposed resolution based upon the determination by MUNI staff that the proposed modifications to the criteria for disabled persons to obtain Regional Transit Connection Discount Cards would not significantly reduce MUNI revenues.



Memo to Finance Committee  
October 25, 1989

Item 20 - File 51-89-3

The proposed resolution would authorize the payment of claims made by City employees for the cost of their personal property which has been damaged and/or stolen in the line of duty. Refer to the attached Controller's report regarding recommended reimbursements to six employees at a total cost of \$646.00.

Recommendation

Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



FILE NO. 51-89-3

REIMBURSEMENT FOR DAMAGED OR STOLEN PERSONAL PROPERTY OF CITY EMPLOYEE

October 3, 1989

<u>Department</u>	<u>Item</u>	<u>Amount Claimed</u>	<u>Amount Recommended</u>
<u>Dept. Public Health</u>			
Karen Bisagno	Vandalized Auto	\$ 1,406.30	\$ -0-
Rozanne Miller	Torn Pants	48.99	35.00
Susan Heffron	Damaged Auto	240.00	240.00
Janice E. Smith	Stolen Cash	240.00	-0-
Robert D. Wallace	Broken Pocket Computer	115.00	-0-
<u>Municipal Railway</u>			
David Fong	Broken Eyeglasses	250.00	-0-
<u>Assessor</u>			
Christopher Sam	Vandalized Auto	275.00	-0-
Christopher Sam	Vandalized Auto	280.00	280.00
<u>Recreation and Park</u>			
Nersi Boussina	Vandalized Auto	\$ 212.00	-0-
Cheng Yu	Vandalized Auto and Stolen Items	980.00	-0-
Helen Sant	Vandalized Auto	50.00	50.00
<u>Public Works</u>			
Everett E. Timmer	Stolen Jacket	63.80	-0-
Jessie Rivera	Damaged Pants	32.00	16.00
<u>Juvenile Court</u>			
Daniel Hicks	Torn Shirt	25.00	25.00
		<hr/>	<hr/>
TOTAL		\$ 4,218.11	\$ 646.00

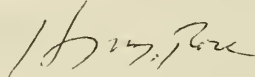
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Memo to Finance Committee  
October 25 1989

Items 21 and 22 - Files 45-89-45 and 48-89-12

The proposed ordinance and resolution authorizing settlements of litigation are legal matters under the responsibility of the City Attorney's Office. The Budget Analyst does not normally review and report on such items.



Harvey M. Rose

cc: Supervisor Walker  
Supervisor Ward  
Supervisor Hallinan  
President Britt  
Supervisor Alioto  
Supervisor Gonzalez  
Supervisor Hongisto  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Nelder  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Carol Wilkins  
Stacy Becker  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



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*Callahan T. K.*

CALENDAR  
RECESSED MEETING OF  
FINANCE COMMITTEE

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Board of Supervisors  
City and County of San Francisco

WEDNESDAY, OCTOBER 25, 1989 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN

ABSENT: SUPERVISOR WARD

CLERK: GREG HOBSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

1. File 101-89-21. [Government Funding] Ordinance appropriating \$12,000,000, Department of Public Works, for capital improvement projects (street reconstruction and renovation and new safety projects). (Controller) RO #9053

(From Recessed Meeting, Monday, October 23, 1989)

ACTION: AMENDED. RECOMMENDED AS AMENDED. Place a reserve on \$9,150,569. AMENDED TITLE: "Appropriating \$12,000,000 for capital improvement projects (street reconstruction and renovation and new safety proejects), Public Works, for fiscal year 1989-90; placing a reserve on \$9,150,569."



*Actions  
Taken*

**CALENDAR  
MEETING OF  
FINANCE COMMITTEE**

**Board of Supervisors**

**City and County of San Francisco**

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**WEDNESDAY, NOVEMBER 1, 1989 - 2:00 P.M. ROOM 228, CITY HALL**

**MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN**

**ABSENT: SUPERVISOR WARD**

**CLERK: GREG HOBSON**

**NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.**

1. **File 12-89-24. [Alcohol Tax] Resolution supporting an Increase in the Alcoholic Beverage Tax. (Supervisor Kennedy)**

**(Cont'd from 10/25/89)**

**ACTION: CONTINUED TO NOVEMBER 15, 1989, MEETING.**

2. **File 101-89-41. [Government Funding] Ordinance appropriating \$100,000, Department of Social Services, for professional services (housing referral program for homeless people). (Controller) RO # 9103**

**(Cont'd from 10/25/89)**

**ACTION: AMENDED. RECOMMENDED AS AMENDED. Place a reserve on \$83,300. AMENDED TITLE: "Appropriating \$100,000 for professional services, Department of Social Services for fiscal year 1989-90; placing \$83,300 on reserve."**

**DOCUMENTS DEPT.**

3. **File 65-89-5.2. [Stadium Lease Amendment] Ordinance repealing Ordinance 361-89 approving second amendment to the stadium lease between the City and County of San Francisco by and through its Recreation and Park Commission and the San Francisco Giants; an emergency ordinance. (Supervisor Maher)**

**ACTION: CONTINUED TO THE CALL OF THE CHAIR.**

4. **File 101-89-44. [Government Funding] Ordinance appropriating \$79,869, Public Health - Central Office, for permanent salaries-miscellaneous and related mandatory fringe benefits, for the creation of four (4) positions. (Controller) RO #9110 (COMPANION TO THE FOLLOWING FILE)**

**ACTION: AMENDED. RECOMMENDED AS AMENDED. Reduce appropriation to \$63,670. Add a Section 3 to read: "It is the Intention of the Board of Supervisors to finance these positions from the Vital and Health Statistics Trust Fund and that all personnel filling these positions will perform work related to this project only and that when the Vital and Health Statistics Trust Fund has been depleted, these positions created by this ordinance will cease to be filled." AMENDED TITLE: "Appropriating \$63,670 for permanent salaries - miscellaneous and related mandatory fringe benefits, for the creation of four (4) positions, Public Health - Central Office for fiscal year 1989-90."**

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5. File 102-89-17. [Public Employment] Ordinance amending Annual Salary Ordinance 1989-90, Department of Public Health, Central Office, reflecting the addition of four (4) positions (Classification 1424 Clerk Typist). (Civil Service Commission) (COMPANION TO THE PRECEDING FILE)

ACTION: AMENDED. RECOMMENDED AS AMENDED. Add a Section 2 to read: "It is the intention of the Board of Supervisors to finance these positions from the Vital and Health Statistics Trust Fund and that all personnel filling these positions will perform work related to this project only and that when the Vital and Health Statistics Trust Fund has been depleted, these positions created by this ordinance will cease to be filled."

6. File 101-89-46. [Government Funding] Ordinance appropriating \$71,000, Public Health - CMHS-Forensic, for capital improvement project (Hall of Justice - Jail No. 1). (Controller) RO #9109

ACTION: RECOMMENDED.

7. File 97-89-47. [Public Health Contracts] Ordinance amending Chapter 19A of the San Francisco Administrative Code by amending Section 19A. 22 to permit the Director of Public Health to enter into agreements whereby persons providing services voluntarily at Department of Public Health facilities are deemed employees for purposes of the Tort Claims Act. (Health Commission)

ACTION: RECOMMENDED.

8. File 269-89-1. [Possessory Interest - Delancey Street] Ordinance finding that certain Possessory Interests of Delancey Street Foundation are sufficient security for the payment of Possessory Interest Taxes thereon, and ordering that said Possessory Interest Assessments be placed on the Secured Roll. (Supervisor Maher)

ACTION: RECOMMENDED.

9. File 161-89-6. [Redevelopment Agency Budget] Resolution approving an amended budget for the Redevelopment Agency of the City and County of San Francisco for fiscal year 1989-1990. (Redevelopment Agency)

ACTION: AMENDMENT OF THE WHOLE BEARING SAME TITLE PRESENTED IN COMMITTEE. ADOPTED. RECOMMENDED.

10. File 101-89-47. [Government Funding] Ordinance appropriating \$5,000, Public Works, for capital improvement project (Adopt-A-Tree Program). (Controller) RO #9108

ACTION: RECOMMENDED.

File 38-89-20. [Gift Acceptance] Authorizing acceptance by the Department of Public Works a cash gift of \$5,000 from the India Basin Maintenance Association for the Adopt-A-Tree Program. RESOLUTION PREPARED IN AND REPORTED OUT OF COMMITTEE. RECOMMENDED.

11. File 101-89-45. [Government Funding] Ordinance appropriating \$102,000, Public Works, for capital improvement project (Candlestick Park Pedestrian Overpass); rescinding \$102,000 from capital improvement project (Candlestick Park Land Control Signals). (Controller) RO #9107

ACTION: CONTINUED TO THE CALL OF THE CHAIR.

12. File 168-89-7. [Public Hearing - Eminent Domain] Motion directing the Board of Supervisors to hold a public hearing to consider adopting a resolution of necessity in connection with a proposal to acquire by eminent domain Lots 16 and 19 in Assessor's Block 4622 and Lots 6, 7, 22 and 23 in Assessor's Block 4605 and Lots 7, 8, 12, 13 and 15 in Assessor's Block 4622 for the Open Space Program (India Basin). (Real Estate Dept.) (COMPANION TO THE FOLLOWING FILE)

ACTION: AMENDED. RECOMMENDED AS AMENDED. Insert where appropriate the date and time of December 4, 1989; 3:00 p.m. AMENDED TITLE: "Directing the Board of Supervisors to hold a public hearing on December 4, 1989, at 3:00 p.m. to consider adopting a resolution of necessity in connection with a proposal to acquire by eminent domain Lots 16 & 19 in Assessor's Block 4622 and Lots 6, 7, 22 & 15 in Assessor's Block 4605; and Lots 7, 8, 12, 13 & 15 in Assessor's Block 4622 for the Open Space Program."

13. File 168-89-7.1. [Eminent Domain] Resolution authorizing acquisition of Lots 16 and 19 in Assessor's Block 4622 and Lots 6, 7, 22 and 23 in Assessor's Block 4605; and Lots 7, 8, 12, 13 and 15 in Assessor's Block 4622 by eminent domain for the Open Space Program; and to adopt findings pursuant to City Planning Code Section 101.1. (Real Estate Dept.) (COMPANION TO THE PRECEDING FILE)

ACTION: AMENDMENT OF THE WHOLE BEARING SAME TITLE PRESENTED IN COMMITTEE. ADOPTED. TO BOARD WITHOUT RECOMMENDATION. (To appear on Board calendar December 4, 1989.)

14. File 31-89-16. [Employee Replacement] Resolution approving immediate filling of vacated position of one H30 Captain, Fire Suppression, Fire Department. (Fire Department).

ACTION: RECOMMENDED.

15. File 31-89-17. [Employee Replacement] Resolution approving immediate filling of vacated position of one H30 Captain, Fire Suppression, Fire Department. (Fire Department).

ACTION: RECOMMENDED.

16. File 31-89-18. [Employee Replacement] Resolution approving immediate filling of vacated position of one H40 Battalion Chief, Fire Suppression, Fire Department. (Fire Department).

ACTION: RECOMMENDED.

17. File 31-89-19. [Employee Replacement] Resolution approving immediate filling of vacated position of one H50 Assistant Chief, Fire Suppression, Fire Department. (Fire Department).

ACTION: RECOMMENDED.

18. File 31-89-20. [Employee Replacement] Resolution approving immediate filling of vacated position of one H50 Assistant Chief, Fire Suppression, Fire Department. (Fire Department).

ACTION: RECOMMENDED.

19. File 31-89-21. [Employee Replacement] Resolution approving immediate filling of vacated position of one H40 Battalion Chief, Fire Suppression, Fire Department. (Fire Department).

ACTION: RECOMMENDED.

20. File 31-89-22. [Employee Replacement] Resolution approving immediate filling of vacated position of one H30 Captain, Fire Suppression, Fire Department. (Fire Department).

ACTION: RECOMMENDED.

21. File 31-89-23. [Employee Replacement] Resolution approving immediate filling of vacated position of one H30 Captain, Fire Suppression, Fire Department. (Fire Department).

ACTION: RECOMMENDED.

22. File 31-89-24. [Employee Replacement] Resolution approving immediate filling of vacated position of one H30 Captain, Fire Suppression, Fire Department. (Fire Department).

ACTION: RECOMMENDED.

CLOSED SESSION:

23. File 48-89-12. [Settlement of Claim] Resolution approving the settlement of the unlitigated claim of Wanda D. Wilson by payment of \$6,250. (City Attorney)

(Cont'd from 10/25/89)

ACTION: RECOMMENDED.

24. File 46-89-17. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Kenneth A Troche v. Kenneth H. McDermott, et al., upon receipt of the sum of \$12,500; and authorizing dismissal of said complaint. (City Attorney) (San Mateo Superior Court No. 3330970)

ACTION: RECOMMENDED.

25. File 48-89-13. [Settlement of Claim] Resolution approving the settlement of the unlitigated claim of Nelson Yee by payment of \$6,699.28. (City Attorney)

ACTION: RECOMMENDED.

CITY AND COUNTY



OF SAN FRANCISCO

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BOARD OF SUPERVISORS

NOV 8 1989

BUDGET ANALYST

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1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 552-9292

November 1, 1989

TO: Finance Committee  
FROM: Budget Analyst  
SUBJECT: November 1, 1989 Finance Committee Meeting

Item 1 - File 12-89-24

**Note:** This item was continued at the October 25, 1989 Finance Committee meeting.

1. The proposed resolution would support an increase in the State's alcoholic beverage tax. The proposed resolution would also support dedicating the increased revenues from the increased tax to alcohol and drug abuse related services. If the proposed resolution is approved, copies of this resolution would be forwarded to the Mayor for transmission to the State Legislative Advocate for presentation to the San Francisco delegation in the State Legislature and the Governor with the request that all actions necessary and appropriate to carry out the intent of this resolution be expedited.

2. The current rate of alcoholic tax varies by type of beverage. In general, current excise taxes are imposed on each gallon of alcoholic beverage at the following rates:

<u>Alcoholic Beverage</u>	<u>Excise Tax Per Gallon</u>
Wine	1¢
Dessert Wine	2¢
Sparkling Wine	30¢
Beer	4¢
Distilled Spirits	\$2.00



In addition, all alcoholic beverages sold in California are assessed sales taxes based on the retail value of the beverage sold. San Francisco currently has a sales tax rate of 6.5 percent.

3. Mr. Joe Cucchiara, consultant to those California counties that are supporting a State Ballot Initiative to increase the alcoholic beverage tax, reports that the current alcoholic beverage tax has been in effect since 1937. The proposed State Ballot Initiative would increase the alcoholic beverage tax 5¢ per unit of alcoholic beverage, according to the following units: 12 ounces of beer, 5 ounces of wine, 3 ounces of fortified wine and 1 ounce of distilled spirits. The tax would be assessed at the point of wholesale. As an example, the proposed increase in tax rates would translate to an additional tax of \$1.28 per gallon of wine.

4. Mr. Cucchiara reports that based on the current year's rate of consumption of alcoholic beverages, the increase in taxes as outlined in the proposed State Ballot Initiative would result in approximately \$800 million of additional annual tax revenues. The proposed draft initiative would allocate more than 75 percent of the increase in revenues, or approximately \$600 million annually, directly to counties for more than ten specified programs related to alcohol and drug treatment services. Allocation of the revenues would be based on a \$150,000 minimum to each county plus an additional share based on each county's share of the total State population. Mr. Cucchiara estimates that the annual share for the City and County of San Francisco would be more than \$15,794,286. Additional revenues from this increased alcoholic beverage tax in an undetermined amount would be available to supplement this \$15.8 million amount through programs that are not directly covered in the initial allocations. The initiative will be filed for qualification for the June 1990 voter ballot shortly.

5. The primary opposition to an increase in the State alcoholic beverage tax is from the wine, beer and alcoholic spirits manufacturers, producers and distributors. Opposition is particularly strong from the wine producing areas of the State. In response to inquiries from the Budget Analyst, the Wine Institute reported that they are opposed to the proposed ballot initiative. The Wine Institute is currently working on a proposal that would raise, after several years, approximately \$180 million annually through a more moderate increase in the State alcoholic beverage tax. This proposal will be presented to the California Supervisors Association of California (CSAC) in November with the hope of having it placed on the ballot by the California legislature. Although each county would be allocated a portion of the funds raised, specific allocation procedures have not been worked out.

6. CSAC was originally supporting the provisions in the proposed ballot initiative. However, CSAC informed the Budget Analyst that CSAC has now decided to take no position on the proposed increase in the State's alcoholic beverage tax.



7. According to Mr. Cucciara there are protections in the proposed ballot initiative that prohibit the State from using revenues from this tax to supplant current State per capita expenditures for alcohol and drug programs. However, the Budget Analyst notes that there are no similar provisions in the proposed ballot initiative which would preclude counties from using the new revenues to offset existing General Fund monies that are allocated for local alcohol and drug treatment purposes.

8. The Budget Analyst notes that the proposed resolution does not support a specific proposal for the raising of the State alcohol tax.

**Recommendation**

The proposed resolution is a policy matter for the Board of Supervisors.



Item 2 - File 101-89-41

**Note:** This item was continued by the Finance Committee at its meeting on October 25, 1989.

**Department:** Department of Social Services (DSS)

**Item:** Supplemental Appropriation Ordinance, Department of Social Services, for professional services.

**Amount:** \$100,000

**Source of Funds:** Revenue from Redevelopment Agency

**Description:** The proposed Supplemental Appropriation Ordinance would reappropriate Redevelopment Agency funds to DSS for the establishment of a Housing Referral Program for homeless persons. Originally, the 1989-90 Redevelopment Agency budget provided \$100,000 for a Housing Referral Program and specified that DSS would develop the program for the Redevelopment Agency. However, it was later determined that the proposed program would be more appropriately administered by DSS and that the funds to administer the program would be transferred from the Redevelopment Agency to the DSS.

DSS proposes to administer a professional services contract in which an outside agency will provide counseling and assistance to homeless and General Assistance clients in establishing stable long-term housing arrangements.

DSS issued a request for proposal (RFP) on October 6, 1989. DSS furnished the following timetable for retaining an outside contractor and executing the contract:

October 6, 1989	RFP issued by DSS
October 13, 1989	Bidder's conference
October 20, 1989	2:00 p.m. - Filing deadline for proposals
October 23, 1989	Decision of DSS Review Committee
October 27, 1989	General Manager confirms contractor selection
November 16, 1989	Social Services Commission approves selection of contractor

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



- |                   |  |
|-------------------|--|
| November 20, 1989 | Civil Service Commission approves contract |
| December 1, 1989  | Contract is finalized                      |
| December 15, 1989 | Commencement of contract                   |

The RFP requires that the Housing Referral Program for the homeless include:

- 1) Referral services for assisting individuals in locating and moving into permanent housing and facilitating the move into the housing.
- 2) A roommate referral service that would identify and link-up individuals interested in a shared living arrangement and who can demonstrate their ability to maintain a shared arrangement.
- 3) Monitoring of each housing placement to ensure a successful placement.
- 4) Provision of a peer support program that would address problems or concerns that program clients might have and assist other individuals in locating and retaining housing.

The DSS estimates that the program will require four staff positions. The RFP also states that a maximum of \$100,000 will be allocated to the program. DSS has stated that it prefers to not release final budget details until after the RFP process has been completed and a contractor has been selected, because the program budget details may influence the RFP process.

The RFP requires that the contract and contractor conform to the provisions of the City's MBE/WBE/LBE ordinance.



**Comments:**

1. While the RFP contains MBE/WBE/LBE ordinance provisions, the Department has not selected the contractor, and as such does not yet know the actual bid amount, and the MBE/WBE/LBE allocations, the estimated contractual hours and the hourly rates. In addition, specific budget details will not be released until after DSS has selected a contractor. Ms. Carla Javits of DSS and Ms. Sally Kipper of the Mayor's Office have expressed the opinion that due to the short timeline for selecting the contractor and beginning the program services, reserving the funds pending the provision of contract bid details would delay the startup of the program, because the funds would not be released to DSS in time to pay for contractor services during the initial months. Therefore, to ensure that the program can begin on time, funding for the first two months of operation in the amount of \$16,700 should be allocated without reserve, and the remaining \$83,300 should be reserved pending the provision of contract and program budget details by the Department.

2. At its meeting of October 25, 1989, the Finance Committee expressed concern about the proposed program's timeliness in providing housing referral services, especially to earthquake victims, and whether the proposed program would compete with the efforts of other non-profit agencies. Ms. Javits reports that the proposed program would not compete with the efforts of other non-profit agencies to provide referral services to earthquake victims and instead the proposed program would provide long-term housing referral services to homeless persons. The Finance Committee also expressed concern about expediting the timetable for awarding the Housing Referral Program contract. Ms. Javits reports that the timetable outlined in this report cannot be shortened.

**Recommendation:** Amend the proposed ordinance by reserving the amount of \$83,300 pending the provision of the actual bid amount, the estimated contractual hours, the hourly rates, the MBE/WBE/LBE allocations, and specific program budget details. Approve the proposed Supplemental Appropriation Ordinance as amended.



Item 3 - File 65-89-5.2

**Department:** Recreation and Park

**Item:** Proposed Emergency Ordinance to repeal Ordinance Number 361-89 previously approved by the Board of Supervisors regarding the second amendment to the Stadium Lease between the City and County by an through the Recreation and Park Commission and the San Francisco Giants.

**Description:** 1. A lease between the San Francisco Giants and the City for Candlestick Park was executed on March 15, 1958 for a period of 35 years and is to terminate at the end of the 1993 baseball season. An amendment to the Candlestick Park lease was recently approved by the Board of Supervisors which allows the San Francisco Giants, by written notice, to convert the remainder of the term of the lease into a series of one year options if (1) a new proposed downtown ballpark is ready for occupancy prior to the 1995 baseball season or (2) specific project milestones for the proposed downtown ballpark project are not met. Converting the remainder of the term of the existing Candlestick Park lease with the Giants could result in an early termination by the San Francisco Giants of its Candlestick Park lease.

The previously approved lease amendment specifically allows the Giants to notify the City by December 31st that the Giants could terminate the remainder of the terms of the lease, with such termination to be effective as of December 31st of the year in which the termination notice is given.

2. The specific downtown ballpark project milestones which, if not met, would allow the San Francisco Giants to convert to the one year options are as follows:

- a. The passage of the ballot measure approving the downtown ballpark project and, to the extent voter approval is legally required in the November, 1989 election, providing the funding for transportation and traffic improvements including building of the Embarcadero Parkway, constructing a MUNI Metro Turnback and MUNI Extension with a station at the ballpark and building the MUNI F-Line.
- b. The aggregate deposits received by Spectacor Management Group, the developer of the proposed downtown ballpark, for the sales of luxury suites and VIP loge seats together amount to \$8,250,000 by September 30, 1990.

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- c. Delivery to the Giants by the City by November 1, 1990 of the staffing plans to provide adequate traffic and pedestrian control in the vicinity of and at the ballpark before, during and after each baseball game.
- d. City approval of the final Environmental Impact Report for the ballpark by December 15, 1990.
- e. Issuance/sale of \$50.0 million in tax exempt bonds for financing the ballpark by December 31, 1990.
- f. Enactment of all ordinances and other approvals to provide a parking garage with 1,500 parking spaces by June 30, 1991.
- g. Commencement of construction of the traffic and transit improvements by June 30, 1991.
- h. Acquisition, assembly and assurance of developability of the land for the ballpark by January 31, 1992.
- i. Receipt of all necessary federal, state and local governmental and quasi-governmental approvals for the commencement of construction of the ballpark by December 31, 1992.
- j. Execution of the ground lease for the ballpark by the City or its designee and Spectacor by January 31, 1993.
- k. Delivery of a clean site to Spectacor in a condition such that Spectacor may immediately begin construction of the ballpark by January 31, 1993.
- l. Commencement of construction of the ballpark by January 31, 1993.
- m. Delivery to Spectacor of adequate infrastructure to the property lines of the ballpark site to Spectacor's satisfaction by June 30, 1993.
- n. Commencement of construction of the parking structure by the City or its designee by September 30, 1993.
- o. Completion of construction of the project (ballpark, parking and all traffic and transit improvements) by January 31, 1995.

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3. The Mayor on behalf of the City executed Memorandum of Understandings (MOUs) with the San Francisco Giants and Spectacor on July 27, 1989. These MOUs are agreements related to the development and construction of the downtown ballpark and obligate the City to provide full site acquisition and preparation, construction of a 1,500 space garage, infrastructure improvements, traffic and transit improvements, all of which are mentioned above as milestones integral to the proposed lease amendment.

4. According to the proposed emergency legislation to repeal the Candlestick Park lease amendment, the earthquake of October 17, 1989 has caused the City of San Francisco to reevaluate whether it should or can proceed with implementing the Memoranda of Understanding between the City and Spectacor Management Group and the City and the Giants. The proposed legislation specifically states that given the vast devastation throughout the City, the City's spending priorities are necessarily focused on rebuilding the City now.

**Comments:**

1. In discussions with Mr. Corey Busch, Mr. Busch pointed out that should the Giants exercise their right under this proposed lease amendment to terminate their tenancy at Candlestick Park early, the City would then have the opportunity to accelerate the renovation program currently underway to improve Candlestick Park for the 49ers. Acceleration of that program, according to Mr. Busch, would have beneficial economic impact on the City, such as the construction of additional seats. Mr. Busch points out that this would result in increased revenues to the City. The Budget Analyst concurs with this observation of Mr. Busch.

2. The MOU executed by the Mayor with the San Francisco Giants on July 27, 1989 states that if the previously approved amendment to the Candlestick Park lease had not been approved by October 3, 1989, the Giants could, by submitting written notice, terminate the MOU and be released from all obligations contained therein.

3. Mr. Ernie Prindle, of the Recreation and Park Department, has prepared estimates of the net annual financial impact on the Candlestick Park Fund if the San Francisco Giants were to terminate the lease prior to its expiration as follows:



Estimated Loss of Direct Revenue	\$2,696,632 *
Less: Estimated Reductions in Cost	(1,152,587) **
Anticipated Additional Revenues	( 870,000) ***

Net Potential Annual Loss to Candlestick Park Fund	\$674,045
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- \* Based on actual 1988 baseball season revenues
- \*\* It should be noted that the estimated reductions in cost might require layoffs of City employees.
- \*\*\* The anticipated additional revenues assume that 37 additional annual events would be scheduled at Candlestick Park.

4. As reported above by the Recreation and Park Department, \$870,000 of additional revenues are anticipated to be generated from 37 outside annual events. If these events are held, and if the estimated reduction in costs of \$1,152,587 can be achieved, there would still remain an annual net estimated loss of \$674,045 to the Candlestick Park Fund, based on actual 1988 baseball season revenues. However, it should be noted that given the higher attendance this season, the 1989 baseball season revenues are anticipated to be greater than those reported for 1988. As a result, the corresponding loss of revenue to the City if the Giants were to leave Candlestick Park would also be greater based on 1989 baseball season revenues. Similarly, if fewer than 37 annual events are scheduled, and the total estimated cost reductions are not achieved, the potential annual loss to the City of \$674,045 would increase. Assuming the Recreation and Park Department's projected annual net loss of \$674,045, and given that there are four years remaining in the Giants' lease with the City, if the Giants decide to terminate the lease in 1989, such termination would result in a net loss of approximately \$2.7 million over a four-year period.

5. The projected annual loss for the City should be further adjusted to reflect savings in costs for MUNI and Police services on game days. MUNI currently provides special game day shuttle bus services to Candlestick Park, which operates at a net loss of approximately \$350,000 per year. Similarly, Police services provided to Candlestick Park are reimbursed at straight-time by the Giants. However, Police Officers perform these duties at overtime rates of time-and-a-half. The net cost to the City for Police services at Giants games at Candlestick Park is estimated to be approximately \$100,000 per year, plus administrative expenses. There may, however, be some offsetting additional costs for MUNI and

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Police services if other events are scheduled at Candlestick Park that require such City services. Furthermore, the City currently collects approximately \$30,000 per year of possessory interest taxes on the Giants lease and it is assumed that this revenue would be lost.

6. On October 6, 1989, the Budget Analyst transmitted a separate report to the Board of Supervisors pertaining to a review on the downtown ballpark and arena proposals including an assessment of the City's costs, the economic impact created by the San Francisco Giants on the City of San Francisco and an analysis of the reasonableness of the projected costs and revenues to the City and County.

7. The Mayor's October 23, 1989 report to the Board of Supervisors indicated that as a result of the October 17, 1989 earthquake, the City's "public sector costs could be \$750 million", including between \$13 and \$15 million for all staffing costs during the first days of the emergency, \$61 million at the Port, \$20 million at the Asian Art Museum and Fine Arts Museum, \$17 million for the Health Department, \$7 million at the Airport and \$84 million estimated by the Department of Public Works for sewers, streets, sidewalks and signals. The Mayor reports private sector costs could be between \$1.5 billion and \$2.5 billion. Overall, the Mayor reports that the costs of the earthquake will be in excess of \$2.2 billion. As of October 27, 1989, the City's 1989-90 Emergency Reserve Fund was approximately \$4,862,000 and the General Fund General Reserve Fund was approximately \$13,002,000.

8. In response to inquiries by the Budget Analyst, Dave Fong of the Controller's Office reports that the total costs to the City as a result of the earthquake of October 17, 1989 have not been fully identified. On October 20, 1989, the Controller issued a memo to all City departments requesting specific information regarding detailed accounting of all costs incurred in response to the earthquake. As of the writing of this report, that information has not been provided to the Controller's Office. According to Mr. Fong, on November 6, 1989, the Controller will have the payroll cost information regarding the direct labor and overtime expenses incurred by each City department during the past two-week payroll period.

9. According to Mr. Fong, the Federal Emergency Management Agency (FEMA) has allocated an initial \$3 million to San Francisco for the immediate response public activities incurred by the City and County of San Francisco, the Unified School District, the Redevelopment Agency and the Housing Authority. Mr. Fong reports that FEMA is

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authorized to allocate another \$15 million to San Francisco after the City's Disaster Survey Report is completed and validated by FEMA. Under the current Federal and State regulations, 75 percent of the City's "eligible" costs would be reimbursable by FEMA and the State would provide 75 percent of the remaining 25 percent of the funds not reimbursed by FEMA. Mr. Fong notes that the costs that would be "eligible" for such reimbursement have not been determined. Together, this Federal and State assistance would result in an actual cost to the City of 6.25 percent of the costs that are eligible.

**Recommendation:** The proposed ordinance to repeal the previously approved ordinance which permits the Giants to have an early termination of its Candlestick Park lease is a policy matter for the Board of Supervisors.



Items 4 and 5 - Files 101-89-44 and 102-89-17

**Department:** Department of Public Health (DPH), Central Office, Records and Statistics

**Proposed Actions:** Supplemental Appropriation Ordinance for permanent salaries and mandatory fringe benefits for the creation of four positions (File 101-89-44).

Annual Salary Ordinance amendment reflecting the addition of four positions (File 102-89-17).

**Amount:** \$79,869

**Source of Funds:** Vital and Health Statistics Trust Fund

**Description:** The proposed amendment to the 1989-90 Salary Ordinance (File 102-89-17) would add four positions. The proposed amendments, to be reviewed at a future meeting of the Civil Service Commission, is as follows:

			1989-90 Biweekly Salary	1989-90 Annual Salary
<u>Action</u>	<u>No.</u>	<u>Class/Title</u>		
Add	4	1424 Clerk Typist	\$785-\$947	\$20,410-\$24,622

At the top step, the four positions to be added would cost \$98,488 in annual salary costs.

The proposed Supplemental Appropriation Ordinance (File 101-89-44) would appropriate \$61,465 for permanent salaries and \$18,404 for mandatory fringe benefits, for a total of \$79,869, for the creation of four positions.

**Comments:** 1. In May, 1989, the Board of Supervisors authorized by ordinance (File 97-89-16) an amendment to the Administrative Code, creating a Vital and Health Statistics Trust Fund for the receipt and disbursement of funds collected by DPH for birth and death certificates. The funds to be deposited in the Trust Fund consist of \$1 of every \$2 fee collected for these certificates from January 1, 1989 through December 31, 1990, and are to be used for the following purposes:

- 1) Administrative and personnel costs related to Vital and Health Statistics;

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- 2) Modernization of vital records operations; and
- 3) Improvement in the collection and analysis of vital records.

The DPH reports that \$78,526 has been collected in the Trust Fund during the period January 1, 1989 through October 24, 1989. Use of these funds are subject to approval of the Board of Supervisors.

2. The DPH is requesting Vital and Health Statistics Trust Fund monies to fund four new Clerk Typist positions in order to alleviate backlogs in processing birth and death certificate requests received by mail and in person.

According to Ms. Eunice Hanson of DPH, backlogs have occurred because five 1404 Clerk positions were deleted from DPH's 1988-89 budget in anticipation that the Recorder's Office would acquire a portion of the Records and Statistics duties. Ms. Hanson reports that since the change never materialized, Records and Statistics has had to compensate for the reduction in Records and Statistics clerks, by temporarily using staff from automated systems and as-needed staff from other DPH offices. Based on a review of the Recorder's Office budget and discussions with Mr. Bruce Jamison, Recorder, the Recorder's Office and the DPH never reached a final agreement on the proposed move and new positions were never added to the Recorder's Office budget for this purpose.

Ms. Hanson indicates that this temporary arrangement is inadequate to complete the processing of certificate requests on a timely basis and detracts from the DPH's vital statistics automation efforts. In addition, Ms. Hanson reports that the Records and Statistics certificate processing workload has increased in the last two years due to new employment and income tax laws which require birth certificates. Ms. Hanson indicates that funds for the four new positions would help improve automation of vital statistics records, in accordance with the intent of the Vital and Health Statistics Trust Fund enabling legislation, by allowing the automated systems staff to return to their intended duties.



3. Ms. Hanson reports that Records and Statistics processes approximately 600 mail requests per week and assists 100 to 200 customers per day at the service counter. Ms. Hanson indicates that the DPH is requesting 1424 Clerk Typist positions instead of the 1404 Clerk positions which were deleted, because the 1404 Clerks were unable to perform adequately the typing duties that are required for the certificate processing work.

4. According to Ms. Hanson, the DPH estimates that the Vital and Health Statistics Trust Fund will collect approximately \$198,600 for the two-year period from January 1, 1989 through December 31, 1990. Ms. Hanson states that the DPH intends to use the Trust Fund monies only to fund the four proposed positions. The annual cost for the four positions, including fringe benefits, at the first step is \$106,492. Therefore, the projected Trust Fund monies of \$198,600 for the two years would fund the four positions for approximately 1.86 years (one year and ten months). Ms. Hanson indicates that Records and Statistics intends to request that these positions be included in DPH's budget, to be funded with General Fund monies once the Vital and Health Statistics Trust Fund has been depleted.

5. The proposed supplemental appropriation of \$79,869 is based on the four positions being filled from October 1, 1989 through June 30, 1990. However, due to the approval process for supplemental appropriations, the positions could not be filled until November 27, 1989. Therefore, the proposed supplemental appropriation should be reduced by \$16,199 from \$79,869 to \$63,670 for 15.5 biweekly pay periods from November 27, 1989 through June 30, 1989, as follows:

	<u>Requested Amount</u>	<u>Recommended Amount</u>	<u>Recommended Savings</u>
Permanent			
Salaries	\$61,465	\$48,670	\$12,795
Retirement	9,220	7,301	1,919
Social Security	4,659	3,689	970
Health Services	4,402	3,913	489
Unemployment			
Insurance	123	97	26
Total	\$79,869	\$63,670	\$16,199

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6. As previously noted, the monies to finance these positions would come from fees deposited to the Vital and Health Statistics Trust Fund, for two years from January 1, 1989 to December 31, 1990, in accordance with legislation previously approved by the Board of Supervisors. The Budget Analyst recommends that the four positions to be added to the Salary Ordinance should be deleted once the Vital and Health Statistics Trust Fund has been depleted.

Mr. John Madden of the Controller's Office indicates that a letter from the Finance Committee urging the Controller to delete the four positions from the Annual Salary Ordinance once the Trust Fund monies have been depleted would enable the Controller to take the appropriate actions. According to Mr. Madden, efforts are being made to provide for special indicators that would designate limited-tenure positions in future budgets.

- Recommendations:**
1. Approve the Annual Salary Ordinance amendment (File 102-89-17).
  2. Amend the proposed Supplemental Appropriation ordinance (File 101-89-44) to reduce the amount by \$16,199 from \$79,869 to \$63,670, and approve as amended.
  3. Direct the Controller by letter to designate the four positions as positions that will be deleted once the Vital and Health Statistics Trust Fund is depleted.



Item 6 - File 101-89-46

**Department:** Department of Public Health (DPH)

**Item:** Supplemental Appropriation Ordinance for capital improvement project.

**Amount:** \$71,000

**Source of Funds:** Reserve for Public Safety established by the Board of Supervisors as part of the City's 1989-90 Annual Budget process.

**Description:** The Board of Supervisors established a \$3.6 million Public Safety Reserve as a part of the 1989-90 City Budget (Annual Appropriation Ordinance). The \$3.6 million Reserve for Public Safety included \$2.25 million for local match requirements to match state jail construction bond funds and \$1.35 million for the purchase of police and fire vehicles and equipment and to provide funding for a third academy class of police recruits in June, 1990. The Board of Supervisors previously appropriated \$2,179,000 of the \$2.25 million for local match requirements pertaining to jail construction projects (File 101-89-33), leaving an unappropriated amount of \$71,000 in the Reserve for Public Safety, designated for local match requirements. The proposed Supplemental Appropriation Ordinance would appropriate the remaining \$71,000 of the Public Safety Reserve designated to match State Jail Construction Bond Funds authorized by State Proposition 52 to a Capital Improvement Project for remodeling the Pharmacy at County Jail Number One in the Hall of Justice.

The Federal Court has ordered the City to make various improvements and renovations to the jail medical and psychiatric facilities including the construction of a larger pharmacy on the seventh floor of the Hall of Justice (Jail Number One) no later than March, 1990. In order to comply with this consent decree requirement, the DPH is requesting the appropriation of \$71,000 for this project from the Reserve for Public Safety which was set aside to meet the local match requirements to State Proposition 52 bond funding. The estimated full cost of the pharmacy expansion project (\$71,000) would be met by this appropriation, although it is anticipated that 75 percent (\$53,250) would be subsequently reimbursed when Proposition 52 revenues are finally received. The net cost to the City would then be the 25 percent local match requirement of \$17,750 (\$71,000 less \$53,250).

The preliminary estimate of the costs to remodel the Jail Number One Pharmacy is \$71,000, as follows:

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Construction	\$55,000
Construction Management (DPW Inspections)	4,000
Contingencies (including asbestos removal)	9,000
Other (DPW Administration)	<u>3,000</u>
Total Estimated Project Cost	\$71,000

**Comments:**

1. Funding of \$25,000 for plans and specifications was previously appropriated for this project in fiscal year 1988-89, for a total project cost of \$96,000. According to Mr. Calvin Malone of the Capital Improvement Advisory Committee, this \$25,000 for plans and specifications should also be eligible for 75 percent (\$18,750) reimbursement from Proposition 52 bond funds. The net City cost for the \$96,000 project would be \$24,000 and the total reimbursed by Proposition 52 bond funds would be \$72,000.

2. In order to be eligible for State Proposition 52 funding, projects must be under contract by September 30, 1990. The State Board of Corrections has encouraged the City to initiate contracts for Proposition 52 projects as soon as they are "ready to go" rather than waiting until all of the Proposition 52 bond fund allocations can be encumbered.

**Recommendation:** Approve the proposed supplemental appropriation ordinance.

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Item 7 - File 97-89-47

**Department:** Health Commission

**Item:** The proposed ordinance would amend Administrative Code Section 19A.22 to permit the Director of Public Health to enter into agreements pursuant to which persons providing volunteer services at Department of Public Health facilities would be deemed City employees for purposes of the Tort Claims Act.

**Description:** In December, 1988, Administrative Code Section 19A.22 was added to permit the Director of Public Health to enter into agreements with persons voluntarily providing services to the homeless pursuant to which those persons are deemed employees for purposes of the Tort Claims Act.

The Tort Claims Act affects any City employee who, in the course of his/her employment, harms another person through negligence. If that injured person sues the City for negligence, the Tort Claims Act provides that the City must provide a defense for the employee, and pay any costs and damages that the court may award to the injured party for the negligence of the City employee.

The effect of this Administrative Code Section then is to allow the City to assume liability for any injury caused by these volunteer health care providers to the same extent that the City would be liable under the Tort Claims Act if the volunteers were City employees.

The proposed ordinance would extend the authority of the Director of Health to enter into volunteer services agreements to include volunteers not only for the homeless, but for other Department of Public Health ("DPH") programs, including programs at Laguna Honda Hospital, and City mental health and substance abuse centers.

**Comments:** 1. Ms. Paula Jesson of the City Attorney's Office states that the current agreements for volunteer services are drafted to extend Tort Claims Act protection to volunteers for the homeless, while attempting to exclude any additional assumption of risk or liability by the City. Ms. Jesson states that the proposed amendment would extend the same protection to volunteers providing health care services for other programs operated by DPH.

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2. Mr. Larry Meredith of DPH states that the Department can benefit from volunteer services at Laguna Honda Hospital, as well as City mental health and substance abuse facilities. Amendment of Administrative Code Section 19A.22 as proposed will allow DPH to offer malpractice protection to volunteers on a department-wide basis. Offering this protection will encourage volunteers who otherwise may hesitate to provide volunteer services for the City because of concerns over potential malpractice claims.

3. Mr. Keith Grand, the City's Risk Manager, evaluated the risk associated with these agreements in 1988 when Section 19A.22 was originally proposed (a copy of Mr. Grand's memorandum is attached to this report). Mr. Grand states that so long as volunteers are properly chosen and supervised, and volunteer service agreements such as currently used for the homeless program are applied to other such volunteers, his assessment of the risk involved would remain the same.

**Recommendation:** Approval of the proposed ordinance to expand Tort Claims Act protection to volunteers at DPH facilities on a department-wide basis is a policy decision for the Board of Supervisors.



Office of CHIEF ADMINISTRATIVE OFFICER

# MEMORANDUM

TO: YVONNE LOWE, BUDGET ANALYST'S OFFICE

FROM: KEITH GRAND, RISK MANAGER *KG*

DATE: NOVEMBER 21, 1988

SUBJECT: VOLUNTEERS AS EMPLOYEES RE: TORT CLAIMS ACT

Adding this proposed Section 19A.23 to the Administrative Code will transfer to the City the risk which such volunteers perceive, which deters them from volunteering in this capacity in the first place.

Quantifying such risk is difficult, but two measures of its approximate magnitude might be calculated as follows:

1. determine the medical malpractice liability premium applicable for the nature of the proposed services, with a policy limit of, say, \$1 million;
2. review the malpractice claims history of the City with respect to physicians or facilities providing the type of care envisaged in this volunteer effort.

Whatever the magnitude of risk, the City should exercise due care in preventing claims from arising. For example, use only volunteers who are fully-qualified medically to perform the services, who do not have prior malpractice claims. Detail in writing the nature of desired services. Provide adequate facilities, equipment, medical supplies. Properly advise patients, obtain consent forms, maintain proper medical charts, etc. If patients are transported, safe and adequately-equipped vehicles are needed, with drivers who have good driving records and relevant paramedic qualifications, if they will render care.

In short, if this extension of services to the homeless is handled properly, risks can be minimized, but not eliminated. Obviously, it is a policy decision whether the benefits to be provided justify the risks created.

KWG:mm



Item 8 - File 269-89-1

1. The proposed ordinance would make a finding that certain possessory interests of Delancey Street Foundation, in the form of subleases of the property at 600 Embarcadero Street, are sufficient security for the payment of possessory interest taxes and would order that those possessory interest assessments be transferred from the unsecured to the secured assessment roll. Section 107 of the Revenue and Taxation Code of the State of California states that any possessory interest may, at the discretion of the County Board of Supervisors, be considered sufficient security for the payment of taxes and may be placed on the secured roll.

2. Delancey Street Foundation is currently leasing property from the San Francisco Redevelopment Agency at 600 Embarcadero Street. Delancey Street Foundation owes the City of San Francisco \$214,849.90 in 1989 possessory interest taxes for the lease of this property. The taxes have not yet been paid and Delancey Street Foundation has been assessed a ten percent penalty of \$21,485 (total owed the City of \$236,334.90). An additional 1 1/2 percent for interest will accrue to the City for each month payment is not received after November 1, 1989.

3. The proposed ordinance would transfer the possessory interest assessment of Delancey Street Foundation from the unsecured to the secured assessment roll. This transfer would cancel the tax obligation on the unsecured assessment role and instead, would put the tax obligation on the assessed role. As a result, the current penalty of \$21,485 and any future incurred penalties would be forgiven by this transfer.

**Comment**

According to Mr. John Zimmer of the Assessor's Office, Delancey Street Foundation has separately applied to the State Board of Equalization for a 93.4 percent welfare exemption from its 1989 tax burden. If the State grants the exemption, Delancey Street Foundation would only owe the City 1989 possessory income taxes of 6.6 percent of the total possessory interest of \$214,849.90 or \$14,180.09. Welfare exemptions from property taxes are frequently granted by the State to non-profit organizations.

**Recommendation**

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Item 9 - File 161-89-6

**Department:** Redevelopment Agency

**Item:** Resolution to amend the 1989-90 Redevelopment Agency Budget

**Amount:** \$90,000

**Source of Funds:** Unused Redevelopment Agency Funds from prior years.

**Proposed Use of Funds:** Allocation of additional planning funds for the Fisherman's Wharf Survey Area in order to provide for additional contractual services to complete the Environmental Impact Report (EIR) and related expenses.

**Description:** 1. The Fisherman's Wharf Survey Area was designated by the Board of Supervisors in December, 1987 for the purpose of determining if a redevelopment project or projects within the Survey Area would be feasible. In FY 1987-88, the Redevelopment Agency allocated money from its unused prior year funds to finance various professional services contracts to prepare market analyses, public finance options, urban design and engineering studies which are required as part of the Fisherman's Wharf Development Program and the EIR. These prior year monies have now been spent or committed and the completion of the Development Program and EIR require \$90,000 of additional funds. No planning funds for the Fisherman's Wharf Survey Area were approved by the Board of Supervisors in the Agency's FY 1988-89 or 1989-90 budgets. To date, the total funds spent or committed for the Fisherman's Wharf Survey Area include the following contractual services:

<u>Contract Description</u>	<u>Amount</u>
Urban Design	\$110,000
Graphic Design	30,000
Landscape Design	47,500
Public Finance and Economic Analysis	85,000
Civil Structural Engineering	47,800
Geo-Technical Engineering	30,640
EIR	<u>195,000</u>
Total	\$545,940

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2. According to Mr. Michael Kaplan of the Redevelopment Agency, the above contract allocations have included 20 percent for MBE firms and 16 percent for WBE firms.

3. The Fisherman's Wharf Development Program will provide a basis for amendments to the City's Master Plan and Zoning Ordinance, adoption of a redevelopment plan and an implementation program and financing scheme. Specific objectives reviewed in the Development Program include:

- Maintenance and enhancement of all maritime activities, particularly the fishing industry;
- Development of a marine fisheries institute and potentially a public seafood market and festival hall;
- Resolution of traffic, transit and parking problems in the area, including the possibility of an underground garage;
- Public improvements and general beautification and aesthetic upgrading of the area;
- Conservation and development of affordable housing;
- Development of a major public plaza in the vicinity of Piers 43 and 43 1/2; and
- Development of new non-maritime uses on undeveloped or underdeveloped properties.

4. This \$90,000 request would be expended for the following professional services contract with Environmental Science Associates of San Francisco (ESA), which has performed the EIR work completed to date, and the related mailings and notification expenses to be performed by the Redevelopment Agency:

EIR Preparation	\$88,000
Mailings and Notification Expenses	<u>2,000</u>
Estimated Total	\$90,000

Mr. Kaplan states that ESA's billing rates range from \$21.30 per hour to \$136.32 but that he estimates that the average rate is approximately \$60 per hour. At an average hourly rate of \$60, approximately 1,467 hours of professional services will be provided under the proposed \$88,000 contract.



Mr. Kaplan states that the EIR is expected to be completed in April of 1990. ESA is neither an MBE firm nor a WBE firm.

5. According to Mr. Kaplan, the additional \$90,000 requested in this item is required because the scope of the EIR has been increased to include four development options instead of three and to consider alternative transportation scenarios, especially in the Bay Street and Embarcadero areas. Furthermore, the original authorization for \$195,000 was only a budgeting estimate of the amount that was needed to complete the actual EIR work.

6. Mr. Bob Gamble of the Redevelopment Agency states that the Redevelopment Agency's unused funds from prior years includes approximately \$3 million that was included in the Agency's FY 1989-90 budget and another approximately \$1.5 million identified through the Agency's recent reconciliation of funds.

**Recommendation:** Approve the proposed resolution.



Item 10 - File 101-89-47

**Department:** Department of Public Works  
Bureau of Street Cleaning and Urban Forestry

**Item:** Supplemental Appropriation Ordinance

**Amount:** \$5,000

**Source of Funds:** Gift Funds  
Adopt-A-Tree Program

**Description:** The City's Adopt-A-Tree Program was approved by the Board of Supervisors in April of 1988 with the adoption of Ordinance 183-88 (File 202-88). The ordinance established a special fund, entitled the Adopt-A-Tree Fund, to accept cash donations and gifts for the sole purpose of planting and maintaining trees under the jurisdiction of the Department of Public Works (DPW). Funds donated to the City by individuals or organizations would be deposited in a separate account to be administered by the DPW's Urban Forestry Division (UFD). UFD would use the donated monies to plant trees, erect a plaque honoring the donor, if appropriate, and maintain the trees until they are well established.

The India Basin Association has donated \$5,000 to the City's Adopt-A-Tree Fund to replace damaged, dying and/or missing street trees in the India Basin Industrial Park Area.

**Comments:**

1. According to Mr. Mel Baker of UFD, about 100 replacement trees will be planted on Cargo Way, Evans Avenue, Jennings Street and Mendell Street at an average cost of \$50 per tree. UFD intends to fund maintenance costs from their maintenance budget, which is estimated to cost up to \$20 per tree per year for watering for the first three years and \$7 per tree per year thereafter, if pruning is required.
2. Based on a current survey by Mr. Baker, a total of 250 replacement trees will be needed for the entire India Basin Industrial Park Area. Thus, an additional 150 trees would be planted at a later time from other revenues not yet identified.

**Recommendation:** Approve the proposed ordinance.

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Item 11 - File 101-89-45

**Department:** Public Works

**Item:** Supplemental Appropriation Ordinance

**Amount:** \$102,000

**Source of Funds:** Surplus monies from the Candlestick Park Lane Control Signals Project.

**Description:** The proposed Supplemental Appropriation Ordinance would appropriate funds for the design and construction of a ramp to modify the pedestrian overpass at the intersection of Harney Way and Jamestown Avenue at Candlestick Park (Candlestick Park Pedestrian Overpass Project).

According to Mr. Scott Shoaf of the Department of Public Works, the increased parking available at Executive Park, located adjacent to Candlestick Park, has resulted in heavy pedestrian traffic on the overpass at the intersection of Harney Way and Jamestown Avenue. At times of heavy pedestrian traffic, the number of people wanting to use the overpass is severely limited by the stairs. Consequently, pedestrians avoid the overpass and cross Jamestown Street on the surface causing a hazard to themselves and the traffic on the street. The proposed supplemental appropriation ordinance would provide funds to design and construct a ramp for the overpass to improve pedestrian access.

Mr. Shoaf states that the estimated costs of the project are as follows:

Department of Public Works Costs

Preliminary engineering work (78.5 hrs. @ \$50.91/hr.)	\$4,000	
Preliminary design work (165 hrs. @ \$50.91/hr.)	8,400	
Surveying (72 hrs. @ \$41.67/hr.)	<u>3,000</u>	
Subtotal DPW Costs		\$ 15,400

Construction Costs

Construction Management	10,000	
Construction Contract Costs	70,000	
Construction Costs Contingency (10%)	<u>7,000</u>	
Subtotal Construction Costs		<u>87,000</u>
Total		\$102,400

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



After the preliminary engineering work is completed, a design package will be completed and the construction contract would be awarded to the lowest qualified bidder.

**Comment:**

The funds for the proposed overpass project are available from the Candlestick Park Lane Control Signals Project since that project was scaled back. Initially, DPW was considering overhead lane signal controls on Harney Way but instead opted for a plan that utilizes surface lane controls and coordinated traffic control. The overpass project will expend \$102,000 of the \$198,000 balance from the Candlestick Park Lane Control Signals Project.

**Recommendation:** Approve the proposed ordinance.



Items 12 and 13 - Files 168-89-7 and 168-89-7.1

**Department:** Real Estate Department  
Recreation and Park Department

**Proposed Actions:** 1. The proposed motion (File 168-89-7) would declare the intention of the Board of Supervisors to hold a public hearing to consider adoption of a resolution of necessity in connection with the acquisition of Lots 7, 8, 12, 13, 15, 16 and 19 in Assessor's Block 4622 and Lots 6, 7, 22 and 23 in Assessor's Block 4605 by eminent domain for the City's Open Space Program.

2. The proposed resolution (File 168-89-7.1) would authorize the acquisition of the specified lots by eminent domain for the Open Space Program and would adopt findings pursuant to City Planning Code Section 101.1.

**Location:** These parcels are located in India Basin (see attached map).

Assessor's Block 4622 is bounded by Fairfax and Galvez Avenues on the east and west and is mid-block between Hawes and Griffith Streets. Lot 15 is located offshore and the other lots are on the shoreline.

Assessor's Block 4605 is located offshore and is bounded by Evans and Fairfax Avenues on the east and west and is mid-block between Hawes and Griffith Streets.

**Property Description:** The property contains approximately 55,000 square feet of unimproved land.

**Proposed Purchase Price:** \$350,000

**Source of Funds:** Open Space Acquisition and Park Renovation Fund

**Comments:** 1. The assessed valuation of the property to be acquired is \$12,195. Based on the 1989-90 tax rate of \$1.09 per \$100 of assessed valuation, the taxes paid to the City total \$132.93 annually, as follows:



<u>Block</u>	<u>Lots</u>	<u>Sq. Ft.</u>	<u>Current Valuation</u>	<u>Property Tax</u>
4622	16, 19	10,000	\$1,712	\$18.66
4622	7, 8, 12, 13, 15	25,000	6,740	73.47
4605	6, 7, 22, 23	<u>20,000</u>	<u>3,743</u>	<u>40.80</u>
Total		55,000	\$12,195	\$132.93

2. Mr. Robert Passmore of the Department of City Planning reports that the property is governed by the City Planning Code and Eight Priority Policies of Section 101.1 and is consistent with such policies. Mr. Passmore also reports that acquisition of the property is consistent with the Recreation and Space Element of the City's Master Plan. Ms. Barbara Sahm of the Department of City Planning Department reports that no Environmental Impact Report (EIR) is required for the proposed acquisition of this property. However, this exemption applies only to acquisition. Should the City plan to develop this property, any proposed project would be subject to environmental review.

3. Ms. Deborah Learner of the Recreation and Park Department states that the proposed acquisition of the property is for the Recreation and Park Department's proposed India Basin Shoreline Park. The proposed park would include bike and pedestrian pathways, fishing opportunities, low maintenance landscaping and would not have any major structures. The India Basin Shoreline Park is estimated to encompass approximately five to seven acres of park area.

4. The Board of Supervisors has approved the acquisition of adjacent parcels of property for the purpose of developing the proposed India Basin Shoreline Park, as follows:

<u>Date</u>	<u>File</u>	<u>Cost</u>
January 87	84-86-2	\$525,000
May 88	84-88-2	12,500
July 89	168-89-5	606,000
	168-89-5.1	
August 89	84-89-3	<u>475,000</u>

Total Previously Approved \$1,618,500

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



5. Mr. John Panieri of the Real Estate Department reports that the proposed purchase price of \$350,000 represents the fair market value of the property. These parcels are the final properties required for the proposed park.

6. Ordinance 253-86 requires that soil tests be conducted on shoreline area property that is to be acquired by the City. Mr. John Panieri states that soil testing on the properties has not been conducted because the City has not received permission from the owners to conduct the tests. Mr. Panieri further states that the required testing would be conducted either when the City receives permission from the owner or when the properties have been condemned. Based on recent soil tests conducted on the adjacent properties, Mr. Panieri states that he expects that test results would be similar to the previous tests and that there should be no major problems.

7. Should the Finance Committee wish to approve the acquisition of the property by eminent domain, which is the subject of this legislation, the proposed motion (File 168-89-7) should be amended to include an appropriate date for the full Board of Supervisors to hold the required public hearing.

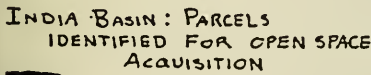
8. Section 1245.235 of the Code of Civil Procedure requires that a public hearing be held by the full Board of Supervisors to hear testimony and to make findings by a two-thirds vote that there is or is not a public interest and necessity for the City to acquire property through eminent domain. If the finding by the full Board of Supervisors at a public hearing is in favor of acquiring the property, the other proposed resolution (File 168-89-7.1), authorizing acquisition of the parcel through eminent domain, would then be considered by the Board of Supervisors.

**Recommendation:** Approval of the proposed resolution to acquire property for open space purposes is a policy matter for the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



EXHIBIT "A"



### PARCELS TO BE ACQUIRED

## PARCELS ACQUIRED



Item 14 - File 31-89-16

**Department:** Fire Department

**Item:** Resolution authorizing the immediate filling of a vacant position.

**Position:** H30 Captain, Division of Fire Suppression

**Retirement Date:** September 22, 1989

**Normal Refill Date:** March 16, 1990

**Proposed Refill Date:** November 8, 1989

**Funding Needed:** \$19,165 (\$255.54/day x 75 days)

**Proposed Funding Source:** Excess Salary Savings

**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

**Comments:**

1. The incumbent Captain, Division of Fire Suppression, retired on July 8, 1989, and was paid for 102 days of accumulated sick leave, which prevents refilling this position until March 16, 1990.
2. This position is a Captain in the Fire Suppression Division and supervises three to five Firefighters each shift and is responsible for the operation, policy and maintenance of a fire station.
3. The current eligibility list for H30 Captain expires November 14, 1989. The proposed immediate filling has been reviewed and approved by the Federal Court monitoring the Consent Decree.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 15 - File 31-89-17

**Department:** Fire Department

**Item:** Resolution authorizing the immediate filling of a vacant position.

**Position:** H30 Captain, Division of Fire Suppression

**Retirement Date:** July 8, 1989

**Normal Refill Date:** December 30, 1989

**Proposed Refill Date:** November 8, 1989

**Funding Needed:** \$7,666 (\$255.54/day x 30 days)

**Proposed Funding Source:** Excess Salary Savings

**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

**Comments:**

1. The incumbent Captain, Division of Fire Suppression, retired on July 8, 1989, and was paid for 102 days of accumulated sick leave, which prevents refilling this position until December 30, 1989.
2. This position is a Captain in the Fire Suppression Division and supervises three to five Firefighters each shift and is responsible for the operation, policy and maintenance of a fire station.
3. The current eligibility list for H30 Captain expires November 14, 1989. The proposed immediate filling has been reviewed and approved by the Federal Court monitoring the Consent Decree.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 16 - File 31-89-18

**Department:** Fire Department

**Item:** Resolution authorizing the immediate filling of a vacant position.

**Position:** H40 Battalion Chief, Division of Fire Suppression

**Retirement Date:** September 16, 1989

**Normal Refill Date:** March 16, 1990

**Proposed Refill Date:** October 21, 1989

**Funding Needed:** \$26,070 (\$306.70/day x 85 days)

**Proposed Funding Source:** Excess Salary Savings

**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

**Comments:**

1. The incumbent Battalion Chief, Division of Fire Suppression, retired on September 16, 1989, and was paid for 106 days of accumulated sick leave, which prevents refilling this position until March 16, 1990.
2. This Battalion Chief position commands the operations of up to eight firefighting companies that comprise one of the ten battalion districts.
3. The Federal Court monitoring the Consent Decree has reviewed and approved the proposed immediate filling.



4. The Fire Department had intended to fill this position on October 21, 1989. However, due to the approval process required for immediate fillings, the position cannot be filled until November 7, 1989. The funding required to fill this position is \$23,003 for the period from November 7, 1989 through March 16, 1990.

**Recommendation:** Approve the proposed resolution.



Item 17 - File 31-89-19

**Department:** Fire Department

**Item:** Resolution authorizing the immediate filling of a vacant position.

**Position:** H50 Assistant Chief, Division of Fire Suppression

**Retirement Date:** September 16, 1989

**Normal Refill Date:** March 14, 1990

**Proposed Refill Date:** October 14, 1989

**Funding Needed:** \$31,210 (\$354.66/day x 88 days)

**Proposed Funding Source:** Excess Salary Savings

**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

**Comments:**

1. The incumbent Assistant Chief, Division of Fire Suppression, retired on September 16, 1989, and was paid for 104 days of accumulated sick leave, which prevents refilling this position until March 14, 1990.
2. The Assistant Chief commands the operations of one of the City's three firefighting divisions and has administrative and operational responsibility for three battalion districts.
3. The Federal Court monitoring the Consent Decree has reviewed and approved the proposed immediate filling.
4. The Fire Department had intended to fill this position on October 14, 1989. However, due to the approval process required for immediate fillings, the position cannot be filled until November 7, 1989. The funding required to fill this position is \$26,245 for the period from November 7, 1989 through March 14, 1990.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
November 1, 1989

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 18 - File 31-89-20

**Department:** Fire Department

**Item:** Resolution authorizing the immediate filling of a vacant position.

**Position:** H50 Assistant Chief, Division of Fire Suppression

**Retirement Date:** July 12, 1989

**Normal Refill Date:** December 30, 1989

**Proposed Refill Date:** October 14, 1989

**Funding Needed:** \$15,960 (\$354.66/day x 45 days)

**Proposed Funding Source:** Excess Salary Savings

**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

**Comments:**

1. The incumbent Assistant Chief, Division of Fire Suppression, retired on July 12, 1989, and was paid for 104 days of accumulated sick leave, which prevents refilling this position until December 30, 1989.
2. The Assistant Chief commands the operations of one of the City's three firefighting divisions and has administrative and operational responsibility for three battalion districts.
3. The Federal Court monitoring the Consent Decree has reviewed and approved the proposed immediate filling.
4. The Fire Department had intended to fill this position on October 14, 1989. However, due to the approval process required for immediate fillings, the position cannot be filled until November 7, 1989. The funding required to fill this position is \$10,994 for the period from November 7, 1989 through December 30, 1989.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
November 1, 1989

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 19 - File 31-89-21

**Department:** Fire Department

**Item:** Resolution authorizing the immediate filling of a vacant position.

**Position:** H40 Battalion Chief, Division of Fire Suppression

**Retirement Date:** July 6, 1989

**Normal Refill Date:** December 29, 1989

**Proposed Refill Date:** October 21, 1989

**Funding Needed:** \$12,268 (\$306.70/day x 40 days)

**Proposed Funding Source:** Excess Salary Savings

**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

**Comments:**

1. The incumbent Battalion Chief, Division of Fire Suppression, retired on July 6, 1989, and was paid for 103 days of accumulated sick leave, which prevents refilling this position until December 29, 1989.
2. This Battalion Chief position commands the operations of up to eight firefighting companies that comprise one of the ten battalion districts.
3. The Federal Court monitoring the Consent Decree has reviewed and approved the proposed immediate filling.
4. The Fire Department had intended to fill this position on October 21, 1989. However, due to the approval process required for immediate fillings, the position cannot be filled until November 7, 1989. The funding required to fill this position is \$9,201 for the period from November 7, 1989 through December 29, 1989.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
November 1, 1989

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 20 - File 31-89-22

**Department:** Fire Department

**Item:** Resolution authorizing the immediate filling of a vacant position.

**Position:** H30 Captain, Division of Fire Suppression

**Retirement Date:** September 22, 1989

**Normal Refill Date:** March 17, 1990

**Proposed Refill Date:** November 8, 1989

**Funding Needed:** \$19,166 (\$255.54/day x 75 days)

**Proposed Funding Source:** Excess Salary Savings

**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

**Comments:**

1. The incumbent Captain, Division of Fire Suppression, retired on July 8, 1989, and was paid for 103 days of accumulated sick leave, which prevents refilling this position until March 17, 1990.
2. This position is a Captain in the Fire Suppression Division and supervises three to five Firefighters each shift and is responsible for the operation, policy and maintenance of a fire station.
3. The current eligibility list for H30 Captain expires November 14, 1989. The proposed immediate filling has been reviewed and approved by the Federal Court monitoring the Consent Decree.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 21 - File 31-89-23

**Department:** Fire Department

**Item:** Resolution authorizing the immediate filling of a vacant position.

**Position:** H30 Captain, Division of Fire Suppression

**Retirement Date:** July 8, 1989

**Normal Refill Date:** December 12, 1989

**Proposed Refill Date:** November 8, 1989

**Funding Needed:** \$5,111 (\$255.54/day x 20 days)

**Proposed Funding Source:** Excess Salary Savings

**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

**Comments:**

1. The incumbent Captain, Division of Fire Suppression, retired on July 8, 1989, and was paid for 91 days of accumulated sick leave, which prevents refilling this position until December 12, 1989.
2. This position is a Captain in the Fire Suppression Division and supervises three to five Firefighters each shift and is responsible for the operation, policy and maintenance of a fire station.
3. The current eligibility list for H30 Captain expires November 14, 1989. The proposed immediate filling has been reviewed and approved by the Federal Court monitoring the Consent Decree.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 22 - File 31-89-24

**Department:** Fire Department

**Item:** Resolution authorizing the immediate filling of a vacant position.

**Position:** H30 Captain, Division of Fire Suppression

**Retirement Date:** July 7, 1989

**Normal Refill Date:** December 31, 1989

**Proposed Refill Date:** November 8, 1989

**Funding Needed:** \$7,922 (\$255.54/day x 31 days)

**Proposed Funding Source:** Excess Salary Savings

**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

**Comments:**

1. The incumbent Captain, Division of Fire Suppression, retired on July 7, 1989, and was paid for 103 days of accumulated sick leave, which prevents refilling this position until December 31, 1989.
2. This position is a Captain in the Fire Suppression Division and supervises three to five Firefighters each shift and is responsible for the operation, policy and maintenance of a fire station.
3. The current eligibility list for H30 Captain expires November 14, 1989. The proposed immediate filling has been reviewed and approved by the Federal Court monitoring the Consent Decree.

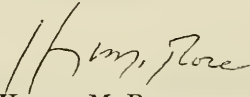
**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Items 23, 24 and 25 - Files 48-89-12, 46-89-17 and 48-89-13

The proposed ordinance and resolutions authorizing settlements of litigation are legal matters under the responsibility of the City Attorney's Office. The Budget Analyst does not normally review and report on such items.



Harvey M. Rose

cc: Supervisor Walker  
Supervisor Ward  
Supervisor Hallinan  
President Britt  
Supervisor Alioto  
Supervisor Gonzalez  
Supervisor Hongisto  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Nelder  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Carol Wilkins  
Stacy Becker  
Ted Lakey



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Actions  
Taken

RECESSED CALENDAR  
MEETING OF  
FINANCE COMMITTEE

DOCUMENTS  
NOV 21 1989  
SAN FRANCISCO  
PUBLIC LIBRARY

Board of Supervisors  
City and County of San Francisco

WEDNESDAY, NOVEMBER 1, 1989 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN

ABSENT: SUPERVISOR WARD

CLERK: GREG HOBSON

(Note: File from Recessed Meeting October 23, 1989.)

CLOSED SESSION

1. File 45-89-43. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Mark Wuerfel and Carol Larson against the City and County of San Francisco by payment of \$10,000. (City Attorney) (Superior Court No. 857-938)

ACTION: CONTINUED TO RECESSED MEETING, WEDNESDAY, NOVEMBER 15, 1989; 2:00 P.M.



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CALENDAR  
MEETING OF  
FINANCE COMMITTEE

DOCUMENTS DEPT.  
NOV 21 1989  
DATE RECEIVED  
NOV 10 1989

Board of Supervisors  
City and County of San Francisco

WEDNESDAY, NOVEMBER 8, 1989 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN

CLERK: GREG HOBSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

NOTE: THE CHAIR INTENDS TO ENTERTAIN A MOTION TO CONTINUE FILE 106-89-4 TO NOVEMBER 22, 1989.

1. File 106-89-4. To consider the submission of a plan from the Civil Service Commission regarding examination and classification functions. (Supervisor Walker)

(Cont'd from 9/20/89)

2. File 97-89-12. [Credit Cards]. Ordinance amending the Administrative Code by adding Section 10.11-1, authorizing officers, boards and commissions of the City and County of San Francisco to accept payments by credit cards. (Supervisor Kennedy)

(Cont'd from 10/25/89)

3. File 84-89-5. [Project Lease] Ordinance approving and authorizing the execution and delivery of a property purchase agreement, a purchase and sale assignment, a facilities lease, a trust agreement, an assignment agreement and a purchase contract in connection with the City and County of San Francisco Certificates of Participation (1155 Market Street Project); authorizing preparation and execution of an official statement; authorizing and ratifying execution of other documents reasonably necessary for the issuance, sale and delivery of the Certificates of Participation; and adopting findings pursuant to City Planning Code Section 101.1, all in connection with the project. (Chief Administrative Officer)

(Cont'd from 10/25/89)

ACTION:

4. File 101-89-48. To consider need for appropriations for emergency earthquake relief and services. (Supervisor Walker)

ACTION:

5. File 31-89-25. [Employee Replacement] Resolution approving immediate filling of vacated position of one (1) H22 Lieutenant, Bureau of Fire Prevention, Fire Department. (Fire Dept.)

ACTION:

6. File 31-89-26. [Employee Replacement] Resolution approving immediate filling of vacated position of one (1) H22 Lieutenant, Bureau of Fire Prevention, Fire Department. (Fire Dept.)

ACTION:



CLOSED SESSION

7. File 45-89-46. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Lin Yan against the City and County of San Francisco by payment of \$12,000. (City Attorney) (Superior Court No. 886-396)

ACTION:

8. File 46-89-18. [Dismissal of Lawsuit] Ordinance authorizing the dismissal without prejudice of People vs. Owen, San Francisco Superior Court No. 830-321, as to certain defendants. (City Attorney)

ACTION:

FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
ROOM 235, CITY HALL  
SAN FRANCISCO, CALIFORNIA 94102

IMPORTANT  
HEARING NOTICE



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Actions Taken

**CALENDAR  
SPECIAL MEETING OF  
FINANCE COMMITTEE**

DOCUMENTS DEPT.  
NOV 27 1989  
SAN FRANCISCO  
CALIFORNIA

**Board of Supervisors  
City and County of San Francisco**

**MONDAY, NOVEMBER 13, 1989 - 9:00 A.M. ROOM 228, CITY HALL**

**MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN**

**CLERK: GREG HOBSON**

1. File 31-89-25. [Employee Replacement] Resolution approving immediate filling of vacated position of one (1) H22 Lieutenant, Bureau of Fire Prevention, Fire Department. (Fire Dept.)

**ACTION: RECOMMENDED. (TO BOARD AS COMMITTEE REPORT, MONDAY, NOVEMBER 13, 1989.)**

2. File 31-89-26. [Employee Replacement] Resolution approving immediate filling of vacated position of one (1) H22 Lieutenant, Bureau of Fire Prevention, Fire Department. (Fire Dept.)

**ACTION: RECOMMENDED. (TO BOARD AS COMMITTEE REPORT, MONDAY, NOVEMBER 13, 1989.)**



CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 552-9292

November 13, 1989

DOCUMENTS DEPT.

**TO:** Finance Committee

**FROM:** Budget Analyst

**SUBJECT:** November 13, 1989 Finance Committee Meeting

NOV 1989

SAN FRANCISCO  
PUBLIC LIBRARY

Item 1 - File 31-89-25

**Department:** Fire Department

**Item:** Resolution authorizing the immediate filling of a vacant position.

**Position:** H22 Lieutenant, Bureau of Fire Prevention

**Retirement Date:** November 17, 1989

**Normal Refill  
Date:** March 17, 1990

**Proposed Refill  
Date:** November 17, 1989

**Funding Needed:** \$13,647 (\$252.72/day x 54 days)

**Proposed Funding  
Source:** Excess Salary Savings

**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the



department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

**Comments:**

1. The incumbent Lieutenant, Bureau of Fire Prevention, retires on November 17, 1989, and will be paid for 54 days of accumulated sick leave, which prevents refilling this position until March 17, 1990.
2. This position supervises the operations of five Bureau of Fire Prevention inspectors of hospitals, institutions, permits section and public safety education.
3. The current eligibility list for H22 Lieutenant expires November 20, 1989.
4. Positions in the Bureau of Fire Prevention are not covered by the Consent Decree. Therefore, the proposed immediate filling of the H22 Lieutenant, Bureau of Fire Prevention is not subject to review and approval of the Consent Decree monitor.

**Recommendation:** Approve the proposed resolution.



Item 2 - File 31-89-26

**Department:** Fire Department

**Item:** Resolution authorizing the immediate filling of a vacant position.

**Position:** H22 Lieutenant, Bureau of Fire Prevention

**Retirement Date:** November 17, 1989

**Normal Refill Date:** May 13, 1990

**Proposed Refill Date:** November 17, 1989

**Funding Needed:** \$26,283 (\$252.72/day x 104 days)

**Proposed Funding Source:** Excess Salary Savings

**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

**Comments:**

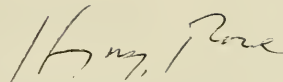
1. The incumbent Lieutenant, Bureau of Fire Prevention, retires on November 17, 1989, and will be paid for 104 days of accumulated sick leave, which prevents refilling this position until May 13, 1990.
2. This position supervises nine district inspectors assigned to enforce laws and ordinances governing life and fire safety in the portion of the City that encompasses the majority of highrise buildings and the South of Market Street area.
3. The current eligibility list for H22 Lieutenant expires November 20, 1989.
4. Positions in the Bureau of Fire Prevention are not covered by the Consent Decree. Therefore, the proposed immediate filling of the H22 Lieutenant, Bureau of Fire Prevention is not subject to review and approval of the Consent Decree monitor.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
November 13, 1989

**Recommendation:** Approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Walker  
Supervisor Ward  
Supervisor Hallinan  
President Britt  
Supervisor Alioto  
Supervisor Gonzalez  
Supervisor Hongisto  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Nelder  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Carol Wilkins  
Stacy Becker  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 552-9292

November 13, 1989

**REVISED**

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**TO:** Finance Committee

**FROM:** Budget Analyst

**SUBJECT:** November 13, 1989 Finance Committee Meeting

Item 1 - File 31-89-25

**Department:** Fire Department

**Item:** Resolution authorizing the immediate filling of a vacant position.

**Position:** H22 Lieutenant, Bureau of Fire Prevention

**Retirement Date:** November 17, 1989

**Normal Refill Date:** March 17, 1990

**Proposed Refill Date:** November 17, 1989

**Funding Needed:** \$13,647 (\$252.72/day x 54 days)

**Proposed Funding Source:** Excess Salary Savings



**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

- Comments:**
1. The incumbent Lieutenant, Bureau of Fire Prevention, retires on November 17, 1989, and will be paid for 54 days of accumulated sick leave, which prevents refilling this position until March 17, 1990.
  2. This position supervises the operations of five Bureau of Fire Prevention inspectors of hospitals, institutions, permits section and public safety education.
  3. Under the normal Bureau of Fire Prevention career ladder for promotions, an H6 Investigator would be promoted to this H22 Lieutenant position leaving a vacancy in the H6 Investigator position. However, the current eligibility list for H6 Investigator expires November 20, 1989. Therefore, the H22 Lieutenant position must be filled immediately in order to back fill the resulting vacancy in an H6 Investigator position before the current H6 Investigator eligibility list expires.
  4. Positions in the Bureau of Fire Prevention are not covered by the Consent Decree. Therefore, the proposed immediate filling of the H22 Lieutenant, Bureau of Fire Prevention is not subject to review and approval of the Consent Decree monitor.

**Recommendation:** Approve the proposed resolution.



**REVISED**

**Item 2 - File 31-89-26**

**Department:** Fire Department

**Item:** Resolution authorizing the immediate filling of a vacant position.

**Position:** H22 Lieutenant, Bureau of Fire Prevention

**Retirement Date:** November 17, 1989

**Normal Refill Date:** May 13, 1990

**Proposed Refill Date:** November 17, 1989

**Funding Needed:** \$26,283 (\$252.72/day x 104 days)

**Proposed Funding Source:** Excess Salary Savings

**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

**Comments:**

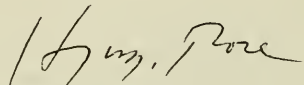
1. The incumbent Lieutenant, Bureau of Fire Prevention, retires on November 17, 1989, and will be paid for 104 days of accumulated sick leave, which prevents refilling this position until May 13, 1990.
2. This position supervises nine district inspectors assigned to enforce laws and ordinances governing life and fire safety in the portion of the City that encompasses the majority of highrise buildings and the South of Market Street area.



3. Under the normal Bureau of Fire Prevention career ladder for promotions, an H6 Investigator would be promoted to this H22 Lieutenant position leaving a vacancy in the H6 Investigator position. However, the current eligibility list for H6 Investigator expires November 20, 1989. Therefore, the H22 Lieutenant position must be filled immediately in order to back fill the resulting vacancy in an H6 Investigator position before the current H6 Investigator eligibility list expires.

4. Positions in the Bureau of Fire Prevention are not covered by the Consent Decree. Therefore, the proposed immediate filling of the H22 Lieutenant, Bureau of Fire Prevention is not subject to review and approval of the Consent Decree monitor.

**Recommendation:** Approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Walker  
Supervisor Ward  
Supervisor Hallinan  
President Britt  
Supervisor Alioto  
Supervisor Gonzalez  
Supervisor Hongisto  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Nelder  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Carol Wilkins  
Stacy Becker  
Ted Lakey



- Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.
- Comments:**
1. The incumbent Lieutenant, Bureau of Fire Prevention, retires on November 17, 1989, and will be paid for 54 days of accumulated sick leave, which prevents refilling this position until March 17, 1990.
  2. This position supervises the operations of five Bureau of Fire Prevention inspectors of hospitals, institutions, permits section and public safety education.
  3. Under the normal Bureau of Fire Prevention career ladder for promotions, an H6 Investigator would be promoted to this H22 Lieutenant position leaving a vacancy in the H6 Investigator position. However, the current eligibility list for H6 Investigator expires November 20, 1989. Therefore, the H22 Lieutenant position must be filled immediately in order to back fill the resulting vacancy in an H6 Investigator position before the current H6 Investigator eligibility list expires.
  4. Positions in the Bureau of Fire Prevention are not covered by the Consent Decree. Therefore, the proposed immediate filling of the H22 Lieutenant, Bureau of Fire Prevention is not subject to review and approval of the Consent Decree monitor.
- Recommendation:** Approve the proposed resolution.



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Special

CALENDAR  
SPECIAL JOINT MEETING OF  
FINANCE/HUMAN SERVICES COMMITTEE

Board of ~~Supervisors~~  
City and County of ~~San Francisco~~

WEDNESDAY, NOVEMBER 15, 1989 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, ALIOTO, GONZALEZ, HALLINAN, HONGISTO,  
WARD

ABSENT: SUPERVISORS ALIOTO, HONGISTO

CLERK: GREG HOBSON

1. File 79-89-5. [Federal Funding - Community Development]  
Resolution approving the 1990 Community Development Program and Housing Assistance Plan. Authorizing the Mayor, on behalf of the City and County of San Francisco, to apply for, receive, and expend the City's 1990 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, transfer and expend reprogrammed funds from prior year Community Development programs up to \$17,485,927. Approving expenditure schedules for recipient departments and agencies and for indirect costs, and, determining no environmental evaluation is required, authorizing the receipt and deposit in contingencies of 1990 CDBG entitlement funds in excess of \$17,485,927. (Mayor)

ACTION: HEARING HELD; CONTINUED TO RECESSED MEETING, FRIDAY,  
NOVEMBER 17, 1989, 10:00 A.M.

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HUMAN SERVICES



NOTE: THE FINANCE COMMITTEE WILL COMMENCE IMMEDIATELY FOLLOWING  
THE JOINT FINANCE/HUMAN SERVICES COMMITTEE MEETING.

CALENDAR  
MEETING OF  
FINANCE COMMITTEE

Board of Supervisors

City and County of San Francisco

WEDNESDAY, NOVEMBER 15, 1989 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN

CLERK: GREG HOBSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

1. File 106-89-4. To consider the submission of a plan from the Civil Service Commission regarding examination and classification functions. (Supervisor Walker)

(Cont'd from 9/20/89)

ACTION: CONTINUED TO DECEMBER 13, 1989, MEETING.

2. File 97-89-12. [Credit Cards] Ordinance amending the Administrative Code by adding Section 10.11-1, authorizing officers, boards and commissions of the City and County of San Francisco to accept payments by credit cards. (Supervisor Kennedy)

(Cont'd from 10/25/89)

ACTION: CONTINUED TO NOVEMBER 29, 1989, MEETING.

3. File 12-89-24. [Alcohol Tax] Resolution supporting an increase in the Alcohol Beverage Tax. (Supervisor Kennedy)

(Cont'd from 11/1/89)

ACTION: CONTINUED TO NOVEMBER 29, 1989, MEETING.

4. File 84-89-5. [Project Lease] Ordinance approving and authorizing the execution and delivery of a property purchase agreement, a purchase and sale assignment, a facilities lease, a trust agreement, an assignment agreement and a purchase contract in connection with the City and County of San Francisco Certificates of Participation (1155 Market Street Project); authorizing preparation and execution of an official statement; authorizing and ratifying execution of other documents reasonably necessary for the issuance, sale and delivery of the Certificates of Participation; and adopting findings pursuant to City Planning Code Section 101.1, all in connection with the project. (Chief Administrative Officer)

(Cont'd from 10/25/89)

ACTION: CONTINUED TO THE CALL OF THE CHAIR.

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5. File 270-89-15. [Earthquake Relief/Tax Deferral] Ordinance implementing Section 194.9 of the Revenue and Taxation Code by authorizing deferral of supplemental roll taxes on property which has sustained substantial damaged in the earthquake of October 17, 1989. (Supervisor Hallinan)

ACTION: AMENDMENT OF THE WHOLE PRESENTED IN COMMITTEE BY SUPERVISOR HALLINAN BEARING NEW TITLE. ADOPTED.  
RECOMMENDED. NEW TITLE: "Implementing Section 197.9 of the Revenue and Taxation Code by authorizing deferral of certain non-delinquent 1989-90 supplemental roll taxes on property which has sustained substantial damage due to the earthquake or aftershocks of 1989."

6. File 101-89-51. [Government Funding] Ordinance appropriating \$75,000, Medical Examiner/Coroner, for equipment purchase (Gas Chromatograph). (Controller) RO #9128

ACTION: RECOMMENDED.

7. File 7-89-7. [Advertising Transit Shelters] Ordinance approving first amendment to advertising transit shelter agreement between the City and County of San Francisco, through its Public Utilities Commission, and Gannett Outdoor Company, Inc., of Northern California. (Public Utilities Commission)

ACTION: CONTINUED TO DECEMBER 13, 1989, MEETING.

8. File 97-89-51. [Special Funds - Market Street Art Maintenance, Market Street Art Acquisition and Youth Arts] Ordinance amending Administrative Code by adding Section 10.117-93, 10.117-94, and 10.117-95 thereto, establishing three special funds: (1) for the receipt of revenue from transit shelter advertising on Market Street for the purpose of maintenance of public art on Market Street; (2) for acquiring public art for Market Street; and (3) for providing programs and other opportunities for the talents and creativity of young artists. (Public Utilities Commission)

ACTION: CONTINUED TO DECEMBER 13, 1989, MEETING.

9. File 100-89-1.1. To consider release of \$50,000, Fire Department, held in reserve for examinations. (Supervisor Walker)

ACTION: RELEASE OF \$50,000 APPROVED; FILED.

10. File 101-89-50. [Government Funding] Ordinance appropriating \$190,409, Public Health - Central Office, San Francisco General Hospital and Community Mental Health Services, for permanent salaries-miscellaneous; rescinding \$197,854 from permanent salaries - nurses, permanent salaries-miscellaneous and related mandatory fringe benefits, for the creation of seven (7) positions and the deletion of five (5) positions and the establishment of the new classification 2218 Physician Specialist. (Controller) RO #9129 (COMPANION TO THE FOLLOWING FILE)

ACTION: CONTINUED TO NOVEMBER 29, 1989, MEETING.

11. File 102-89-18. [Public Employment] Ordinance amending Annual Salary Ordinance 1989-90, Department of Public Health, Central Office, San Francisco General Hospital and Community Mental Health Services, reflecting the establishment of the new position classification 2218 Physician Assistant and the reallocation of five (5) positions (Classifications (3) 2328 Nurse Practitioner, (2) 2230 Physician Specialist). (Civil Service Commission) (COMPANION TO THE PRECEDING FILE)

ACTION: CONTINUED TO NOVEMBER 29, 1989, MEETING.

12. File 82-89-10. [Property Acquisition - Noise Easements] Resolution authorizing completion of the South San Francisco Phase IV Noise Easement Acquisition Program and the acquisition of 57 additional noise easements comprising the South San Francisco Phase V(a) Program. (Real Estate Dept.)

ACTION: RECOMMENDED.

13. File 101-89-52. [Government Funding] Ordinance appropriating \$210,790, Department of Social Services, for professional service contracts and other services. (Controller) RO #9143

ACTION: AMENDMENT OF THE WHOLE BEARING NEW TITLE PRESENTED IN COMMITTEE. ADOTPED. AMENDED. RECOMMENDED AS AMENDED. Increase appropriation to \$212,074. (Letter from Mayor dated 11/15/89 authorizing increase placed in file.) NEW TITLE: "Appropriating \$212,074 for professional service contracts and other services, Department of Social Services for fiscal year 1989-90; providing for ratification of action previously taken."

14. File 101-89-53. [Government Funding] Ordinance appropriating \$79,300, Chief Administrative Officer, for capital improvement project (City's Seismic Retrofit Program). (Supervisor Hsieh)

ACTION: RECOMMENDED.

#### CLOSED SESSION

15. File 45-89-46. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Lin Yan against the City and County of San Francisco by payment of \$12,000. (City Attorney) (Superior Court No. 886-396)

ACTION: RECOMMENDED.

16. File 46-89-18. [Dismissal of Lawsuit] Ordinance authorizing the dismissal without prejudice of People vs. Owen, San Francisco Superior Court No. 830-321, as to certain defendants. (City Attorney)

ACTION: RECOMMENDED.

17. File 45-89-47. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Katherine Krikorian against the City and County of San Francisco by payment of \$7,392.41. (City Attorney) (Superior Court No. 870-823)

ACTION: RECOMMENDED.

18. File 45-89-48. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Connie Delosa v. San Francisco General Hospital, City and County of San Francisco, Regents of the University of California, et al., by payment of \$15,000. (City Attorney) (Superior Court No. 879-809)

ACTION: RECOMMENDED.



RECESSED CALENDAR  
MEETING OF  
FINANCE COMMITTEE

Board of Supervisors  
City and County of San Francisco

WEDNESDAY, NOVEMBER 15, 1989 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN

EXCUSED: SUPERVISOR HALLINAN

CLERK: GREG HOBSON

(Note: File from Recessed Meeting November 1, 1989.)

CLOSED SESSION

1. File 45-89-43. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Mark Wuerfel and Carol Larson against the City and County of San Francisco by payment of \$10,000. (City Attorney) (Superior Court No. 857-938)

ACTION: RECOMMENDED. (Supervisor Hallinan excused due to conflict of interest.)

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CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

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November 15, 1989

**TO:** Finance Committee  
**FROM:** Budget Analyst  
**SUBJECT:** November 15, 1989 Finance Committee Meeting

Item 1 - File 106-89-4

**Note:** This item was continued at the September 20, 1989 Finance Committee meeting.

1. This is a hearing to consider the submission of a plan from the Civil Service Commission regarding examination and classification functions.

2. At the July 12, 1989 Finance Committee meeting, the Finance Committee requested that the Civil Service Commission work with the Mayor's Office, the Controller and the CAO to develop a plan for examination and classification functions.

3. Mr. John Walsh of Civil Service reports that a Civil Service Commission examination and classification plan is being developed, in conjunction with the Mayor's Office, the Controller and the CAO. According to Mr. Walsh, a survey of all City department heads was conducted to collect information concerning vacant positions, eligibility lists that are due to expire, priorities for developing and administering exams, etc. Based on the results of the survey, Civil Service has accumulated the data and is now identifying priorities and timetables for addressing different employee classifications into a report. Mr. Walsh will be meeting with the Controller and the CAO to review this information.



Item 2 - File 97-89-12

**Note:** This item was continued by the Finance Committee at its meeting of October 25, 1989.

1. The proposed ordinance would amend the Administrative Code by adding Section 10.11-1, authorizing all officers, boards and commissions of the City to accept payment of fees and other charges by credit card for services provided by the City. Credit card payments would have to be made in person and not by telephone or mail, and would only be accepted for payments of \$10 or more.

2. According to the City Attorney, California Government Code Section 6159 authorizes cities to accept credit cards for certain types of payments, including the deposit of bail or fines for parking tickets or misdemeanors, for payment of car towage or storage fees resulting from parking violations, or for payment of other charges or fees for services rendered by the City. Section 6159 does not permit the use of credit cards for making other payments, such as property or payroll taxes.

**Comments**

1. The attached report, prepared by the City's Treasurer, provides a summary of some of the advantages and disadvantages of the proposed ordinance. The advantages include convenience to the payor, a possible reduction in bad checks received, and quicker deposit of funds to the City's accounts. The disadvantages include payment delays involving disputed charges, the need to set aside City funds to pay bank service fees and therefore a reduction in funds available for investment, the need for training for employees involved with credit card payments, and the need for additional administrative time to reconcile disputed charges.

2. The Treasurer reports that the credit card discount fee, which is the monthly charge for credit card transaction processing, would cost the City approximately two percent of the credit card charges. Additional monthly bank charges include account maintenance, computer terminal rental, computer time, and fees for deposits, couriers and balance reports. The Treasurer indicates that the actual monthly costs to the City would depend on the dollar amount and the number of credit card transactions, and the Treasurer is unable to provide an estimate of the actual costs to the City without this information.

3. The Treasurer advises that the proposed legislation should require City departments to obtain approval of the Treasurer prior to establishing systems for credit card payment. The Treasurer indicates that this additional requirement would allow the Treasurer to ensure that credit card payments would be cost-effective for the department requesting the system. The Budget Analyst concurs with the Treasurer that new credit card payment systems should be approved by the Treasurer.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



4. Article X, Section 10.57A of the Administrative Code currently authorizes the Municipal Court and the Police Department to accept credit card payments for bail for misdemeanor offenses and for traffic fines. According to Mr. Tom Carrick of the Treasurer's Office, the Municipal Court collects approximately \$90,000 to \$100,000 per month in traffic fines and misdemeanor bail payments, from which approximately \$1,800 to \$2,000 is deducted for the bank's discount fee. Other monthly charges total approximately \$2,000. If these traffic fine and misdemeanor bail payments were paid in cash or by check, the City could have realized an additional amount of approximately \$4,000. The experience of the Municipal Court may or may not represent the experience of other City departments, should credit card payments be authorized City-wide.

### Recommendation

Approval of the proposed ordinance, which would provide a convenience to the public at an indeterminable cost to the City, is a policy matter for the Board of Supervisors. If the Board approves the proposed ordinance, amend the legislation to require that departments receive approval of the Treasurer prior to the establishment of a new credit card payment system.



Proposed legislation for accepting payment by credit card for services rendered by the City and County of San Francisco.

There is proposed legislation by Supervisor Kennedy which would allow City and County departments to accept payment by credit card for services rendered. The minimum acceptable payment is \$10.00.

In reviewing this legislation and the possible effects on the City and County, especially the Treasurer's Office, there are some advantages and many disadvantages associated with this legislation.

#### Advantages

- A. Convenience to payor. Payor can pay by credit card rather than carry cash.
- B. A possible reduction in bad checks issued. This advantage is offset somewhat by a disadvantage indicated below. (Disadvantage B)
- C. If the department(s) use an electronic terminal, similar to the current Municipal Court traffic citation/bail system, each payment would be immediately credited to the City's account at time of transaction. This would eliminate the delay in deposit of funds. Also no float would be involved in a deposit. However, if a manual system is employed, there would be a delay in deposit of transaction slips, but with no float involved.

#### Disadvantages:

- A. Under Federal law, when a credit card holder disputes an item on the credit card statement, the bank will remove the item and chargeback the merchant (City and County of San Francisco) the item purchase price plus interest from the date of posting to date of chargeback.

Should this occur, an individual who has made payment by credit card can dispute the charge on the monthly statement and the bank will reduce the merchant's account by the disputed account plus interest. If this happened to a city's account, the payor could be long gone before the department could recover the deducted funds from the payor. This disadvantage partially reduces Advantage B above.

- B. If a credit card system is implemented, either an electronic or manual system, funds will be placed in a City designated bank account which will require a compensating balance or direct payment for services provided by the bank. As a result, the funds used to pay the bank cost will not be available for investment purposes, therefore reducing investment income.



- C. In using a credit card payment system, the bank charges the merchant a discount fee for the processing of the credit card transaction. The current rate charged by Security Pacific National Bank for processing the Muni Court's transactions is 1.77%. Note: If a manual system was in place, the rate would be over 2%. This fee is charged on the monthly bank statement as a debit to the account.

As a result of this fee, revenues of the City and County would be reduced by the amount of the fee (at least 1 - 2%). As the fee rate increases and transaction volume, the more revenues will be lost to the city.

- D. Additional costs will be incurred with the selection of either an electronic or manual system.

Costs are as follows:

<u>Service</u>	<u>Electronic</u>	<u>Manual</u>
1. Account Maintenance (per month)	\$ 13.00	\$ 13.00
2. Branch deposit (per deposit)	1.25	1.25
3. Debits (per item)	.12	.12
4. Balance report (per month)	75.00	75.00
5. Connect time (per minute)	.3333	.3333
6. Computer printed item (per item)	.20	.20
7. FDIC (per collected balance)	.058%	.058%
8. Terminal rental (per terminal)	50.00	50.00
9. Courier (per month)	100.00 +	100.00 +

The actual cost per month will depend on transaction volume or collection balance.

- E. Should this legislation be law, there is the question as to which departments will decide to accept this type of payment. Of those that do, they will have to be advised that:
1. Their designated staff will have to be fully trained in the preparation and completion of the transaction sales slips. Payment by credit card will take longer than by check or cash as bank authorization for each transaction must be obtained and transaction slip completed.
  2. New reconciliation procedures to conform with Treasurer's Office and Controller reporting and reconciling requirements.
  3. Avoid the experience of Municipal Court in dealing with credit card transactions both with manual and electronic systems.



4. Under state law, the payment of Real Estate taxes cannot be accepted by credit card. However, as a state law, it could be changed.

F. Should any city department decide to accept credit card payments, they should:

1. Receive approval from the Treasurer's Office and Controller prior to accepting credit card payments.
2. Require that the minimum credit card transaction be \$100.00. Unless the transaction dollar volume is able to cover the city's bank charges through analysis, additional funds will have to be placed in the account for a period of time to maintain sufficient balances for analysis requirements. As a result, these additional funds will not be available for investment purposes.

NOTE: The above request will allow the Treasurer and Controller to review and determine if this method of payment is feasible and cost effective.

G. Changes in the Treasurer's Office:

1. Possible new reconciliation headaches.
2. Bidding process for selection of bank to process credit card transactions.
3. A drop of 1 - 2% in revenue due to the discount fee charged by the bank. This fee is automatically deducted from the account based on the prior month's activity.



Item 3 - File 12-89-24

**Note:** This item was continued at the November 1, 1989 Finance Committee meeting.

1. The proposed resolution would support an increase in the State's alcoholic beverage tax. The proposed resolution would also support dedicating the increased revenues from the increased tax to alcohol and drug abuse related services. If the proposed resolution is approved, copies of this resolution would be forwarded to the Mayor for transmission to the State Legislative Advocate for presentation to the San Francisco delegation in the State Legislature and the Governor with the request that all actions necessary and appropriate to carry out the intent of this resolution be expedited.

2. The current rate of alcoholic tax varies by type of beverage. In general, current excise taxes are imposed on each gallon of alcoholic beverage at the following rates:

<u>Alcoholic Beverage</u>	<u>Excise Tax Per Gallon</u>
Wine	1¢
Dessert Wine	2¢
Sparkling Wine	30¢
Beer	4¢
Distilled Spirits	\$2.00

In addition, all alcoholic beverages sold in California are assessed sales taxes based on the retail value of the beverage sold. San Francisco currently has a sales tax rate of 6.5 percent.

3. Mr. Joe Cucchiara, consultant to those California counties that are supporting a State Ballot Initiative to increase the alcoholic beverage tax, reports that the current alcoholic beverage tax has been in effect since 1937. The proposed State Ballot Initiative would increase the alcoholic beverage tax 5¢ per unit of alcoholic beverage, according to the following units: 12 ounces of beer, 5 ounces of wine, 3 ounces of fortified wine and 1 ounce of distilled spirits. The tax would be assessed at the point of wholesale. As an example, the proposed increase in tax rates would translate to an additional tax of \$1.28 per gallon of wine.



4. Mr. Cucchiara reports that based on the current year's rate of consumption of alcoholic beverages, the increase in taxes as outlined in the proposed State Ballot Initiative would result in approximately \$800 million of additional annual tax revenues. The proposed draft initiative would allocate more than 75 percent of the increase in revenues, or approximately \$600 million annually, directly to counties for more than ten specified programs related to alcohol and drug treatment services. Allocation of the revenues would be based on a \$150,000 minimum to each county plus an additional share based on each county's share of the total State population. Mr. Cucchiara estimates that the annual share for the City and County of San Francisco would be more than \$15,794,286. Additional revenues from this increased alcoholic beverage tax in an undetermined amount would be available to supplement this \$15.8 million amount through programs that are not directly covered in the initial allocations. The initiative will be filed for qualification for the June 1990 voter ballot shortly.

5. The primary opposition to an increase in the State alcoholic beverage tax is from the wine, beer and alcoholic spirits manufacturers, producers and distributors. Opposition is particularly strong from the wine producing areas of the State. In response to inquiries from the Budget Analyst, the Wine Institute reported that they are opposed to the proposed ballot initiative. The Wine Institute is currently working on a proposal that would raise, after several years, approximately \$180 million annually through a more moderate increase in the State alcoholic beverage tax. This proposal will be presented to the California Supervisors Association of California (CSAC) in November with the hope of having it placed on the ballot by the California legislature. Although each county would be allocated a portion of the funds raised, specific allocation procedures have not been worked out.

6. CSAC was originally supporting the provisions in the proposed ballot initiative. However, CSAC informed the Budget Analyst that CSAC has now decided to take no position on the proposed increase in the State's alcoholic beverage tax.

7. According to Mr. Cucchiara there are protections in the proposed ballot initiative that prohibit the State from using revenues from this tax to supplant current State per capita expenditures for alcohol and drug programs. However, the Budget Analyst notes that there are no similar provisions in the proposed ballot initiative which would preclude counties from using the new revenues to offset existing General Fund monies that are allocated for local alcohol and drug treatment purposes.

8. The Budget Analyst notes that the proposed resolution does not support a specific proposal for the raising of the State alcohol tax.

### Recommendation

The proposed resolution is a policy matter for the Board of Supervisors.

**BOARD OF SUPERVISORS**  
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Item 4 - File 84-89-5

**Note:** This item was continued at the October 25, 1989 Finance Committee Meeting.

**Department:** Real Estate, Public Utilities Commission (PUC) and Hetch Hetchy Project

**Item:** The proposed ordinance would approve and authorize documents concerning the issuance of Certificates of Participation over a 35-year period by the City and County of San Francisco for the acquisition of an office building at 1155 Market Street under a lease-purchase agreement. The building contains 11 floors consisting of 131,100 square feet of usable office space.

**Description:** The Real Estate Department has been considering the purchase of office building space in the Civic Center area in order to relieve the City of paying increasingly higher office rents for various City departments which do not own sufficient office space of their own. The Real Estate Department has found that the 1155 Market Street building is for sale and has encouraged Hetch Hetchy to purchase this building since Hetch Hetchy, together with the PUC Utilities Engineering Bureau, currently occupies four floors of the building consisting of 49,871 square feet of usable office space.

The Chief Administrative Officer is administering the financial arrangements for the proposed purchase of the 1155 Market Street building. According to the CAO's Office, the lease-purchase would be structured so that the City would pay annual debt service in an amount nearly identical to current lease payments for present and future tenants at 1155 Market Street.

The owner of the 1155 Market Street building, Continental Savings Bank, wants to sell the building no later than January of 1990. Section 7.309 of the Charter precludes the lease-purchase of a building through a non-profit agency without a vote of the electorate. Because of the time constraints, the CAO's Office sought an alternative means to finance the lease-purchase of the 1155 Market Street building through the issuance of Certificates of Participation.



The City would finance the proposed acquisition of the 1155 Market Street building through an arrangement with Security Pacific National Bank. The City, through Security Pacific, would issue bonds known as Certificates of Participation. After the issuance and sale of the Certificates of Participation, the City would assign to Security Pacific the City's right to acquire the building and then Security Pacific would lease the building back to the City. When the last certificate matures in approximately 35 years, the title of the building would automatically revert to the City. The proposed ordinance would ratify agreements permitting the City to sell the Certificates of Participation and authorizing the lease of the 1155 Market Street building by the City from Security Pacific.

The estimated costs of acquiring 1155 Market Street are as follows:

Building (acquisition price still in negotiation)	\$21,400,000
Debt Service Reserve Fund	2,561,000
Tenant Improvements	700,000
Relocation Costs	40,000
Underwriting Costs	343,558
Cost of Issuing Certificates of Participation	<u>565,442</u>
Total Estimated Acquisition Costs	\$25,610,000

The City's total estimated costs of both owning and operating 1155 Market Street over the 35 year period from approximately July 1, 1991 through June 30, 2025 are as follows (these costs are still being refined by the CAO's office and are subject to change):

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Building Acquisition Costs (as above)	\$25,610,000
Interest Expense on Certificates of Participation	71,059,426
Lost Property Taxes (currently paid to the City)	12,069,891
Building Maintenance Costs	33,529,802
Trustee Fees	<u>147,600</u>
Total estimated costs of ownership to City over 35 years	\$142,416,719
Less Interest Earnings from the above Debt Service Reserve Fund and less rental income to be derived by the City from leasing the 425 Mason Street City-owned building*	<u>(26,019,732)</u>
Total Estimated Costs	\$116,396,987

\* Should the City purchase the 1155 Market Street building, the PUC would move the Water Department's Administrative Offices, and the PUC Bureaus of Management Information and Finance, from their present locations at 425 (City-owned) and 414 (leased space) Mason Street. The City would receive rental income from the lease of the 425 Mason Street City-owned building. These monies are subtracted from the costs of ownership.

Over the same 35-year period, the Department of Real Estate estimates that the City would save approximately \$115,600,677 in rental payments which would be required should the City not purchase the 1155 Market Street building and instead continue to lease office space. This would include savings to the City from the rental payments by the City's present tenants at 1155 Market Street and those City employees that the City would move to 1155 Market Street. The difference between the cost of ownership, \$116,396,987, and the saved rental payments of \$115,600,677, is \$796,310. At the end of 35 years, the City would own the building free and clear.



**Comments:**

1. Under the City's present plans, the Workers Compensation Unit of the Employees Retirement System, currently leasing space at St. Francis Hospital, the Health Services System, currently leasing space at 1212 Market Street, and the Controller's Information Services Division (ISD), currently leasing space at 110 McAllister, will be moving to and leasing space in the 1155 Market Street building before the end of 1989. With these City units leasing space in the 1155 Market Street building, together with the remaining units of the Employees Retirement System, the Hetch Hetchy Project and the PUC Utilities Engineering Bureau (all of which are currently leasing space in 1155 Market Street), the City will already be leasing approximately 68 percent of the rentable space in the 1155 Market Street building.

2. This item was continued at the October 25, 1989 Finance Committee meeting at the request of the Real Estate Department because negotiations with Continental Savings were continuing over the final purchase price. Since that time, Continental Savings has received and accepted another offer for the 1155 Market Street building. Mr. Peter Miller of the CAO's Office has requested this item be continued to the call of the Chair pending official notification to the City that Continental Savings has completed negotiations and sold the building to another party.

**Recommendation:** Continue the proposed ordinance to the call of the Chair as requested by the Chief Administrative Officer.



Item 5 - File 101-89-48

1. This is a hearing to discuss the need for appropriations for emergency earthquake relief and services.

2. The Mayor's October 23, 1989 report to the Board of Supervisors indicated that as a result of the October 17, 1989 earthquake, the City's "public sector costs could be \$750 million", including between \$13 and \$15 million for all staffing costs during the first days of the emergency, \$61 million at the Port, \$20 million at the Asian Art Museum and Fine Arts Museum, \$17 million for the Health Department, \$7 million at the Airport and \$84 million estimated by the Department of Public Works for sewers, streets, sidewalks and signals. The Mayor reports private sector costs could be between \$1.5 billion and \$2.5 billion. Overall, the Mayor reports that the costs of the earthquake will be in excess of \$2.2 billion. As of October 27, 1989, the City's 1989-90 Emergency Reserve Fund was approximately \$4,862,000 and the General Fund General Reserve Fund was approximately \$13,002,000.

3. In response to inquiries by the Budget Analyst, Dave Fong of the Controller's Office reports that the total costs to the City as a result of the earthquake of October 17, 1989 have not been fully identified. City departments have been instructed to use already appropriated funds to cover earthquake related costs, such as overtime pay and emergency contracts. Given the current emergency situation, Mr. Fong reports that if departments do not have sufficient funds, the Controller can authorize the transfer of funds from any legally available source of funds to cover the incurred expenditures. According to the Federal Emergency Management Administration (FEMA) regulations, the City must first expend its own funds and then apply for reimbursement.

4. The Controller issued three memos to all City departments requesting specific information regarding detailed accounting of all costs incurred in response to the earthquake. As of the writing of this report, that information has not been provided to the Controller's Office. Mr. Fong reports that on November 6, 1989, the Controller received the payroll cost information regarding the direct labor and overtime expenses incurred by each City department during the two-week payroll period between October 16 and 27, 1989. This report indicates overtime expenses of \$4,458,493 during the two-week period. This is in contrast to an average overtime cost of less than \$2 million for each payroll period during the 1989 calendar year, or an increase of more than approximately \$2.5 million in overtime costs, as a result of the earthquake.

5. According to Mr. Fong, the State has allocated an initial \$3 million to San Francisco for the immediate response public activities incurred by the City and County of San Francisco, the Unified School District, the Redevelopment Agency and the Housing Authority. Mr. Fong reports that FEMA is authorized to allocate another \$15 million to San Francisco after the City's Damage Survey Report is completed and validated by FEMA. Under the current Federal and State regulations, 75 percent of the City's "eligible" costs would be reimbursable by FEMA and the State would provide the remaining 25 percent of the funds not

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reimbursed by FEMA. Mr. Fong notes that the costs that would be "eligible" for such reimbursement have not been determined.

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Item 6 - File 270-89-15

1. The proposed ordinance would implement Section 194.9 of the Revenue and Taxation Code of the State of California by authorizing deferral of supplemental roll property taxes on property which sustained substantial damage in the earthquake of October 17, 1989. Supplemental roll property taxes are charged when a property is purchased or new construction is completed on an existing structure after the regular roll property taxes have been issued on July 10 of a given year. The owner of the property is assessed the difference between the new fair market value and the current roll fair market value.

2. Any owners of eligible property who files a claim for reassessment on or before December 11, 1989 can have their applicable property tax payments deferred without penalty or interest until the property is reassessed and a corrected bill prepared. Taxes deferred in this manner would be due at the end of the month following the month in which the corrected bill is mailed.

3. If the Assessor determines that an owner who was granted a deferral of property taxes did not file the claim in good faith then the owner would be assessed a ten percent delinquency penalty for the nonpayment of the deferred taxes.

Comments

1. Only owners of property who purchased or completed new construction on their property between March 1, 1989 and October 17, 1989 would be eligible for this deferral of supplemental roll taxes. The proposed ordinance would only grant relief for the first supplemental payment, due December 10, 1989, but not for the second payment due April 10, 1990. John Zimmer of the Assessor's Office cannot provide an estimate of how many property owners will file for this deferral but he believes that the number of property owners would not be significant.

2. If the proposed ordinance were approved, the City would not suffer reduced City property tax revenues because the property taxes would only be deferred pending reassessment and would not be cancelled. There could be a small amount of interest revenues lost because of the property tax deferral but it should not be significant.

Recommendation

Approve the proposed ordinance.



Item 7 - File 101-89-51

**Department:** Medical Examiner/Coroner

**Item:** Supplemental Appropriation Ordinance to purchase drug testing equipment.

**Amount:** \$75,000

**Source of Funds:** Public Safety Reserve

**Description:** In setting the 1989-90 budget for the City, the Board of Supervisors created a special reserve, the Public Safety Reserve, of \$3.6 million. According to the Mayor's Office, it was intended that this Reserve include \$75,000 for drug testing equipment for the Medical Examiner/Coroner.

The Medical Examiner/Coroner has completed the bidding and procurement process for this equipment and has a low bid of \$75,000. The drug testing equipment to be purchased is known as a Gas Chromatograph with Mass Selective Detector.

The Medical Examiner/Coroner's Toxicology Department conducts drug tests for deceased persons requiring an autopsy, for adult and juvenile probationers, police and fire recruits, and for persons suspected of driving under the influence of alcohol or drugs.

The existing Gas Chromatograph is approximately four years old and has been out of service frequently because of the volume of tests performed. In some cases downtime of the Gas Chromatograph has resulted in court delays and could result in legal challenges as to the reliability and accuracy of results obtained by this machine according to Dr. Slade of the Toxicology Department.

The proposed new Gas Chromatograph would provide the Toxicology Department with two machines since the existing machine would be kept as a backup to handle increased volume of tests and to be used for those periods of downtime on the new machine. According to Dr. Slade, the proposed new machine will be easier to operate, will test for new drugs not yet in common use and will allow for more tests to be performed because two machines will be available.

**Recommendation:** Approve the proposed Supplemental Appropriation Ordinance.

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Items 8 and 9 - Files 7-89-7 and 97-89-51

**Department:** Public Utilities Commission (PUC)  
Arts Commission

**Item:** File 7-89-7 - The proposed ordinance would amend the transit shelter agreement between the PUC and Gannett Outdoor Company, Inc. pertaining to advertising on Market Street transit shelters.

File 97-89-51 - The proposed ordinance would amend the Administrative Code by adding Sections 10.117-93, 10.117-94 and 10.117-95 to establish three special funds: 1) Market Street Art Maintenance Fund 2) Market Street Art Acquisition Fund and 3) Youth Arts Fund.

**Description:** In July of 1987, the Board of Supervisors approved an agreement (File 176-87-2) between the City and County of San Francisco, through the Public Utilities Commission, and Gannett Outdoor Company, Inc. for the construction and maintenance of 350 to 1,000 advertising transit shelters throughout the City. The agreement provided that the issue of advertising on Market Street would be negotiated at a later date when and if Market Street became available for advertising. Under the original agreement Gannett keeps all advertising revenues, pays for all construction and maintenance costs and pays the City \$150,000 annually plus a cost of living increase to reimburse the City for the administrative overhead expenses of the Transit Shelter Program.

In April of 1989, the Board of Supervisors approved an ordinance (File 115-88-12) which amended Section 603 of the San Francisco Planning Code to permit outdoor advertising on either transit shelters or three-sided kiosks located within the Market Street Special Sign District which extends from Steuart Street to the Central Freeway.

The proposed ordinance (File 7-89-7) would amend the 1987 agreement with Gannett as follows:

- Provide for Gannett to construct and place at no cost to the City 26 transit shelters and freestanding advertising kiosks along lower Market Street. Each kiosk would contain three advertising spaces. Two of the spaces would be available for commercial advertising and one of the spaces would be available for public service advertising and public art.

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- Require that one half (\$75,000) of the previously agreed \$150,000 plus a cost of living increase contributed annually by Gannett to the City to reimburse PUC/MUNI for administrative and overhead expenses for the Transit Shelter Program be re-directed to the Arts Commission for a variety of youth programs including the youth arts festival and neighborhood cultural centers. Over the remaining 12 years of the agreement more than \$1.25 million would be provided for those purposes.
- Require that Gannett pay a \$50,000 annual fee to the City for the City's share of the advertising revenues from transit shelter advertising on Market Street. This sum would be increased five percent annually and the revenues would be used for the maintenance and restoration of public art on Market Street between the Embarcadero and Castro Street. The total revenues over the lifetime of the agreement would be approximately \$885,000.

The proposed ordinance (97-89-51) would establish three special funds:

- 1) Market Street Art Maintenance Fund - The Fund would receive the City's annual share of advertising revenues from transit shelter advertising on Market Street (first year of \$50,000). Total revenues committed to this Fund by Gannett would be approximately \$885,000. Funds would be expended at the discretion of the Arts Commission and used exclusively for capital and administrative costs associated with the acquisition of public art on Market Street.
- 2) Market Street Art Acquisition Fund - The Market Street renovation work, involving approximately \$22 million in capital infrastructure improvements for a rehabilitated street surface, new MUNI tracks, new MUNI boarding islands and completion of the beautification effort, includes \$375,000 of San Francisco Municipal Railway Improvement Corporation bond funds for public art on Market Street which would be deposited in this Fund. The Fund would be used exclusively for capital and administrative costs associated with the acquisition of public art on Market Street. Expenditures would be at the discretion of the Arts Commission.



- 3) Youth Arts Fund - The Fund would receive one-half of the \$150,000 plus cost-of-living increase annual payment made to the City by Gannett for reimbursement of administrative and overhead expenses for the transit shelter program. Estimated total payments to the Fund by Gannett would exceed \$1.25 million. Funds would be expended at the discretion of the Arts Commission and be used exclusively for providing programs and opportunities for young artists.

Any gifts or donations would also be deposited to the three special funds. Interest earnings and any remaining balances would be carried forward into the next fiscal year.

**Comments:**

1. In FY 1988-89 MUNI budgeted \$180,000 for administrative overhead expenses for the Transit Shelter Program. The PUC recommended that one-half (\$75,000 in the first year) of the annual payment by Gannett for reimbursement of administrative and overhead expenses be re-directed to the Arts Commission because with the anticipated completion of the 1,000 shelter program in the Spring of 1990, MUNI's administrative responsibilities and costs would diminish.

2. The \$50,000 annual fee adjusted five percent annually to be paid by Gannett for the City's share of advertising revenues from transit shelter advertising on Market Street was negotiated by the PUC and Gannett. The \$50,000 initial fee represents 15 percent of Gannett's projected gross advertising revenues in the first year of operation. The PUC determined that the City's fee percentage was comparable to percentages received by other cities with transit shelter advertising programs.

3. Under the proposed legislation to establish these three Special Funds, all of the monies accruing to these funds would be expended solely at the discretion of the Arts Commission without being subject to any prior review or appropriation approval by the Board of Supervisors. Ms. Claire Isaacs of the Arts Commission states that since expenditures from these Special Funds would be approved and reviewed by the Arts Commission, this should constitute sufficient fiscal control over expenditures from the Special Funds.



4. The Budget Analyst notes that the primary source of revenues accruing to these three Special Funds would not be private donations but rather would be revenues payable to the City through the agreement with Gannett (Market Street Art Maintenance Fund and Youth Arts Fund) and Bond Funds (Market Street Art Acquisition Fund). The Budget Analyst strongly believes that providing exclusive authority to the Arts Commission to expend these funds, which over a 12-year period would amount to at least \$2.5 million, without prior review and appropriation approval of the Board of Supervisors, would not be in the best interests of the City from both a cost control and cost effectiveness standpoint.

**Recommendations:** 1. Approve the proposed ordinance (File 7-89-87).

2. Amend the proposed ordinance to require that, prior to the expenditure of any monies deposited to the Special Funds, expenditures from the three proposed Special Funds be subject to prior review and appropriation approval by the Board of Supervisors and approve the ordinance as amended (File 97-89-51).

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Item 10 - File 100-89-1.1

**Department:** San Francisco Fire Department

**Item:** Release of reserve

**Amount:** \$50,000

**Description:** The Federal Court monitoring the Consent Decree requires the development and administration of new promotional examinations for the positions of H30 Captain and H40 Battalion Chief. CORE Corporation (CORE) was selected to develop and administer the examinations. For the initial \$175,000 phase of the contract, funded by a Supplemental Appropriation in June, 1989, CORE conducted job analyses at the Fire Stations and is developing examinations based on the results of the job analyses. CORE's budget for that first phase was as follows:

Transportation and Travel	\$ 12,000
Professional Fees (1,087 hours at \$150 per hour)	<u>163,000</u>
Total	\$175,000

In the second phase of the project, which is the subject of this proposed request, CORE will administer the examinations. The Consent Decree Division of the Fire Department estimates that this second phase would cost approximately \$50,000 which was reserved in the Fire Department's 1989-90 budget because the cost details for the second phase had not yet been finalized at that time.

The expenses that CORE will incur are based largely upon the test stimuli to be developed and administered, which was unknown at that time. Usually, the test stimuli to be developed is not determined until the completion of the job analyses conducted during the first phase. The job analyses and examination plans have been reviewed and approved by the Fire Department and the City Attorney's Office. The Captain's exam is scheduled for December 1989 and the Battalion Chief's exam will be held in January 1990. Pursuant to the Consent Decree, the Court Monitor has reviewed and approved these exam documents and the examination schedules.

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CORE estimates that the total costs to complete the proposed second phase of this project will be approximately \$80,000 of which \$30,000 is unreserved funding in the Fire Department's 1989-90 budget. The remaining \$50,000 is the subject of this proposed release of previously reserved funds. CORE's cost estimate is as follows:

Printing (pre-training and test materials)	\$15,000
Keypunching (job analyses and test data)	6,000
Test Materials (equipment, pictures, video materials)	36,200
Role-Players (actors and actresses)	<u>22,800 *</u>
Total Estimated Cost	\$80,000

\*Role-players is the use of actors and actresses in oral interviews to assess a candidate's abilities in simulated real life situations.

**Recommendation:** Release the \$50,000 reserve as requested.



Items 11 and 12 - Files 101-89-50 and 102-89-18

**Department:** Department of Public Health (DPH),  
Central Office, Community Mental Health Services (CHMS)  
and San Francisco General Hospital (SFGH)

**Proposed Actions:** Supplemental Appropriation Ordinance for permanent salaries and mandatory fringe benefits for the creation of seven positions (File 101-89-50).

Annual Salary Ordinance amendment reflecting the addition of seven positions, the deletion of five positions and the establishment of a new classification (File 102-89-18).

**Amount:** \$190,409

**Source of Funds:** Reappropriation of previously budgeted 1989-90 General Fund and Hospital Operating Fund monies.

**Description:** The proposed amendment to the 1989-90 Salary Ordinance (File 102-89-18) would add seven positions, delete five positions and establish the new classification of 2218 Physician Assistant. The proposed amendments, which were approved at the August 21, 1989 meeting of the Civil Service Commission, are as follows:

<u>Action</u>	<u>No.</u>	<u>Class/Title</u>	1989-90 <u>Biweekly</u> <u>Salary</u>	1989-90 <u>Annual</u> <u>Salary</u>
<u>Public Health Central Office</u>				
Delete	1	2230R Physician Specialist	\$2,459-\$2,989	\$63,934-\$77,714
Delete	1	2230B Physician Specialist	2,459-2,989	63,934-77,714
Add	2	2230C Physician Specialist (part-time)	2,459-2,989	63,934-77,714
Add	2	2218B Physician Assistant	1,573-1,909	40,898-49,634
<u>CHMS</u>				
Delete	2	2328B Nurse Practitioner	1,650-2,064	42,900-53,664*
Add	2	2218B Physician Assistant	1,573-1,909	40,898-49,634
<u>SFGH</u>				
Delete	1	2328A Nurse Practitioner	1,650-2,064	42,900-53,664*
Add	1	2218B Physician Assistant	1,573-1,909	40,898-49,634

\* Beginning January 1, 1990 the biweekly salary will be \$1,682-\$2,104 and the annual salary will be \$43,732-\$54,704.

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At the top step, the seven positions to be added would cost \$403,598 in annual salary costs, which is \$85,618 more than the \$317,980 annual salary costs for the five positions to be deleted.

The proposed Supplemental Appropriation Ordinance (File 101-89-44) would appropriate \$190,409 for permanent salaries and mandatory fringe benefits and rescind \$197,854 from permanent salaries and mandatory fringe benefits for the creation of seven positions and the deletion of five positions as follows:

Appropriate

Public Health Central Office	
Permanent Salaries - Misc.	\$96,392
CMHS	
Permanent Salaries	62,678
SFGH	
Permanent Salaries - Misc.	<u>31,339</u>
Total Appropriation	\$190,409

Rescind

Public Health Central Office	
Permanent Salaries - Misc.	\$96,392
CMHS	
Permanent Salaries - Nurses	66,721
Mandatory Fringe Benefits	920
SFGH	
Permanent Salaries - Nurses	33,361
Mandatory Fringe Benefits	<u>460</u>
Total Amount to be Rescinded	\$197,854

In addition, \$7,445 of previously budgeted 1989-90 General Fund monies would be unappropriated and placed in the General Fund - General Reserve.

**Comments:**

1. The Civil Service Commission reports that the DPH has requested a new classification of 2218 Physician Assistant position be established to permit the employment of physician assistants, who would perform direct primary care and specialty care services for patients under the supervision of a physician. The positions to be allocated to the new 2218 Physician Assistant class will assess and manage the health care needs of patients, perform and interpret physical examinations and routine screenings and therapeutic procedures, and educate and counsel patients regarding their physical and mental health, and

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will be used in such settings as the Youth Guidance Center, Jails, City Clinics and San Francisco General Hospital.

2. According to Mr. Ed Gazzano of DPH, the DPH has identified five previously budgeted full-time positions (three 2328 Nurse Practitioners and two 2230 Physician Specialists) as positions which should be deleted and replaced with five full-time 2218 Physician Assistant positions and two part-time 2230 Physician Specialist positions. Of the five positions to be deleted, four positions are currently vacant and one position has been filled on an interim basis as a 2215 Mid-level Practitioner at a lower salary rate. Mr. Gazzano indicates that the interim 2215 Mid-level Practitioner would become a 2218 Physician Assistant if the proposed legislation is approved.

3. The proposed supplemental appropriation of \$190,409 is based on the seven positions to be added being filled for 19.6 biweekly pay periods from September 29, 1989 through June 30, 1990. However, due to the approval process for supplemental appropriations, the positions could not be filled until December 18, 1989. Therefore, the proposed supplemental appropriation should be reduced by \$45,392 from \$190,409 to \$145,017 to fund the seven positions for 15.0 biweekly pay periods from December 18, 1989 to June 30, 1990, the amount to be rescinded should be reduced by \$7,028 from \$197,854 to \$190,826 to continue funding the one 2215 Mid-level Practitioner position for 4.6 biweekly pay periods from September 29, through December 17, 1989, and the amount to be unappropriated and placed in the General Fund - General Reserve should be increased by \$38,364 from \$7,445 to \$45,809, as follows:

<u>Appropriate</u>	<u>Requested Amount</u>	<u>Recommended Amount</u>	<u>Difference</u>
Public Health Central Office - Disease Control			
Permanent Salaries - Misc.	\$48,196	\$36,885	\$11,311
Public Health Central Office - Health Centers			
Permanent Salaries - Misc.	48,196	36,885	11,311
CMHS			
Permanent Salaries	62,678	47,498	15,180
SFGH			
Permanent Salaries - Misc.	<u>31,339</u>	<u>23,749</u>	<u>7,590</u>
Total Appropriation	\$190,409	\$145,017	\$45,392

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	Requested Amount	Recommended Amount	Difference
<u>Rescind</u>			
Public Health Central Office - Disease Control			
Permanent Salaries - Misc.	\$48,196	\$41,168	\$7,028
Public Health Central Office - Health Centers			
Permanent Salaries - Misc.	48,196	48,196	0
CMHS			
Permanent Salaries - Nurses	66,721	66,721	0
Mandatory Fringe Benefits	920	920	0
SFGH			
Permanent Salaries - Nurses	33,361	33,361	0
Mandatory Fringe Benefits	<u>460</u>	<u>460</u>	<u>0</u>
Total Amount to be Rescinded	\$197,854	\$190,826	\$7,028
<u>Unappropriated and Place in General</u>			
<u>Fund - General Reserve</u>	\$7,445	\$45,809	\$38,364

4. As noted earlier, the seven positions to be added would be funded by a reappropriation of previously budgeted funds. No new money is requested, and \$45,809 would be returned to the General Fund.

**Recommendation:** Amend the proposed legislation to reduce the supplemental appropriation by \$45,392 from \$190,409 to \$145,017, reduce the amount to be rescinded by \$7,028 from \$197,854 to \$190,826 to continue funding for the one 2215 Mid-level Practitioner position, and increase the amount to be unappropriated and placed in the General Fund - General Reserve by \$38,364 from \$7,445 to \$45,809, and approve as amended.



Item 13 - File 82-89-10

**Department:** Real Estate Department  
Airports Commission

**Item:** Resolution authorizing the completion of the City of South San Francisco Phase IV Noise Easement Acquisition Program and the acquisition of approximately 57 additional noise easements in the City of South San Francisco for purposes of airport noise mitigation.

**Description:** The San Francisco International Airport's Noise Easement Acquisition program consists of insulating private residences and schools in the City of South San Francisco and other cities which are located near the San Francisco Airport.

The Board of Supervisors has previously authorized by resolution (File 82-89-2) \$112,174 for acquisition of 47 noise easements for the South San Francisco Phase IV program. The proposed resolution would authorize an additional amount of \$6,737 needed to complete the acoustical insulation of three Phase IV homes due to higher costs than originally estimated. In addition, the proposed resolution would authorize the City's Director of Property, at the request of the Airports Commission, to purchase 57 noise easements from home owners within the City of South San Francisco at an estimated cost of \$148,505 for the Phase V(a) project. Airport revenues in this amount have been previously appropriated and are available for the acquisition of these noise easements.

Once purchased, the noise easements would remain in effect for 20 years. In return for the grant of easements, the Airport would pay 20% of the total construction cost to insulate the residences. In addition, the Airport would also pay 20% of the title insurance fees. The City of South San Francisco would pay the remaining 80% of the total construction costs and insurance fees with funding obtained from Federal grant funds.

**Comments:**

1. The Board of Supervisors has also previously approved the acquisition of noise easements in the Cities of San Bruno and Millbrae, as part of the City's ongoing Airport Noise Monitoring Program.
2. The proposed Noise Easement Acquisition Program is in conformity with the City of South San Francisco's Master Plan per its City Council Resolution Nos. 89-83 and 188-84.

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3. According to Mr. Don Garibaldi of the City Attorney's Office, the Airport has spent over \$1,000,000 in legal and related costs to defend against noise-related small claims lawsuits filed by San Mateo County residents since 1982. The City's acquisition of noise easements is expected to reduce the volume of such claims.

**Recommendation:** Approve the proposed resolution.



Item 14 - File 101-89-52

**Department:** Department of Social Services

**Item:** Ordinance appropriating Federal allocation for the Independent Living Skills (ILS) Program.

<b>Amount:</b>	DSS Appropriation	
	Professional Services Contracts	\$198,184
	Other Services	<u>12,606</u>
	Total DSS Appropriation	\$210,790
	Transfer to General Fund - General Reserve	<u>52,697</u>
	Total Allocation	\$263,487

**Source of Funds:** Federal funds allocated through the State Department of Social Services.

**Term of Allocation:** October 1, 1989 through September 30, 1990

**Description:** The proposed allocation would fund the third year of the Independent Living Skills Program. The Program assists Foster Care youths, 16 to 21 years, who are about to become independent from the foster care system. The services include job counselling and referral, recruitment, training and placement of adult mentors, independent living skills training, tutorial services and project coordination. In fiscal year 1989-90, it is anticipated that the Program would serve approximately 80 youths. Other services include a package of incentives, in accordance with State guidelines, to encourage youth participation in the Program.

The services would be provided through contractual services with two non-profit agencies - SF Educational Services and the Family School - and with two individuals. The agencies and individuals were selected on a competitive basis. Funding for DSS costs for program administration are available from the State on a cost reimbursement basis.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**Program Budget:**    DSS Appropriation

Contractual Services

Coordination/Mentor Services

Labor (1,909 hrs. @ \$22/hr.)	\$42,000	
Materials and Supplies	889	
Conferences (3)	950	
Other Costs	<u>425</u>	
		\$44,264

Vocational Services

Labor (1,909 hrs. @ \$22/hr.)	\$42,000	
Materials and Supplies	3,150	
Speakers	300	
Conference (1)	200	
Other Costs	<u>200</u>	
		\$45,850

Tutorial Services (SF Educational Services)

Labor (1,815/hrs. @ an average of \$29.44/hr.)		\$53,428
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Independent Living Skills (The Family School)

Labor (1,343 hrs. @ an average of \$21.27/hr.)	\$28,562	
Rent and Utilities	4,312	
Materials and Supplies	3,400	
Telephone	800	
Travel	2,506	
Insurance - Liability, Bonding	2,000	
Other Services	9,810	
Other Costs	142	
Subcontract	<u>3,110</u>	
		<u>54,642</u>

Subtotal Contractual Services	\$198,184
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Other Services

Incentive Payments	
(30 youths x \$250/youth)	\$7,500
Luggage (40 youths x \$50/youth)	2,000
Graduation Ceremony	3,000
Miscellaneous	<u>100</u>
Subtotal - Other Services	<u>\$ 12,606</u>
 Total DSS Appropriation	 \$210,790

Transfer to General Fund - General Reserve

Funds available to reimburse the General Fund for costs which were previously budgeted with General Fund monies in DSS's 1989-90 budget and which have been incurred.	<u>52,697</u>
 Total Program Allocation	 \$263,487

**Comments:**

1. According to Mr. Ray Sullivan of DSS, personnel costs for DSS staff involved with the ILS Program have been budgeted as General Fund-funded positions in DSS's 1989-90 budget. Mr. Sullivan indicates that DSS does not anticipate using the proposed allocation monies to hire new staff. Therefore, Mr. Sullivan reports that the \$52,697 for DSS administrative costs will be used to reimburse the General Fund-General Reserve for the personnel costs already budgeted and incurred in 1989-90.

2. Mr. Sullivan indicates that the State had originally allocated funds to counties State-wide, and had notified DSS that the City's allocation was \$263,487. Mr. Sullivan reports that two counties have since chosen not to participate in the program, and the State has reallocated these two counties' shares. As a result, the City's allocation has increased by \$1,284 to \$264,771. Since the Board of Supervisors cannot authorize an increase in the proposed ordinance, Mr. Sullivan indicates that the Department will request authorization for the increase from the Mayor.

3. Mr. Sullivan indicates that the proposed supplemental appropriation ordinance was delayed due to the State's late notification of the City's award. In order to ensure continuous program services, Mr. Sullivan states that DSS has already initiated the contracts for the ILS Program since



Memo to Finance Committee  
November 15, 1989

October 1, 1989. Therefore, the Department requests ratification of actions previously taken.

- Recommendations:**
1. If proper authorization is provided by the Mayor's Office, increase the appropriation ordinance by \$1,284 from \$263,487 to \$264,771.
  2. Amend the proposed legislation to include ratification of action previously taken, and approve as amended.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 15 - File 101-89-53

**Department:** Chief Administrative Officer (CAO)  
Department of City Planning

**Item:** Supplemental Appropriation Ordinance for a Capital Improvement Project to investigate and analyze earthquake damage.

**Amount:** \$79,300

**Source of Funds:** Reserve for Capital Improvements

**Description:** SB 547 (Alquist), passed in 1986, requires that local jurisdictions inventory unreinforced masonry buildings (UMBs) and prepare mitigation programs to address the seismic vulnerability of such structures. SB 547 also requires that mitigation programs be in effect by December 31, 1989, for all cities and counties in seismic Zone 4, areas most sensitive to earthquake disturbances, which includes the Bay Area.

In order to comply with SB 547, in January, 1989, the Board of Supervisors approved a \$400,000 Seismic Retrofit Program Capital Improvement Project for FY 1988-89 (File 101-88-57). The City Planning Department selected the firm of Rutherford and Chekene as the Prime Contractor for the project.

San Francisco contains approximately 2,000 UMBs. These buildings are generally considered by structural engineers to be the most hazardous structures in earthquakes. It was such a building that collapsed at 6th and Bluxome, in the earthquake of October 17, 1989. Many other UMBs may have been structurally compromised by the earthquake. According to the CAO, damage to UMBs is not always readily apparent and even in cases where no obvious damage has occurred, owners of UMBs are motivated to examine their options now that they see the vulnerability of their structures. Owners are being forced to make choices about whether to demolish or strengthen these buildings. If they elect to strengthen, decisions about the appropriate retrofit level must be made.



After the October 17th earthquake, inspectors from throughout California and the U.S. volunteered to assist in the examination of San Francisco's buildings. Over 100 inspectors and engineers conducted a systematic inspection of all of the City's UMBs. Data from these examinations needs to be reviewed and analyzed to understand the present condition of these buildings and to determine the best approach to their upgrade.

The proposed Supplemental Appropriation Ordinance would provide for the cost of resources needed to accomplish the City's examination of UMBs resulting from the October 17th earthquake. The proposed budget for this project is as follows:

Engineering Services Contract

Expansion of scope of services of existing Department of City Planning contract with Rutherford & Chekene, a local business enterprise firm, to immediately collect and analyze information about UMB damage from the October 17th earthquake. Consultant would work with the City to gather as much UMB damage information as possible, and to then relate damage to groundshaking. This will provide information enabling a reasoned determination of how to address immediate threats to UMBs, both from a structural damage and social/economic standpoint. The preliminary estimate of contract costs is as follows:

Personnel

Principal Engineer, 100 hours @ \$110/hr.	\$11,000
Senior Engineer, Social Statistician,	
Analyst, 300 hours @ \$90/hr.	27,000
Engineer, 75 hours @ \$60/hr.	4,500
Support Staff, 40 hours @ \$35/hr.	<u>1,400</u>
Subtotal - Personnel	\$43,900
<u>Direct Costs</u>	1,500
<u>Contingencies</u>	<u>4,600</u>

Total Contract Cost

\$50,000

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Department of City Planning.

1.0 full-time Planner I for 6 months to assist professional staff in earthquake data collection and analysis and provide liaison between City Planning, engineering consultant, DPW and CAO. \$15,800

0.5 FTE Data Entry Clerk for 6 months to enter the very large amount of UMB data from the earthquake into the existing electronic UMB database. 5,500

Other Operating costs including materials, supplies and telephone expenses. 2,000

Computer and printer to enable simultaneous data entry by clerical staff and data manipulation by professional staff. (Currently the Department of City Planning has a shortage of computers in relation to demand by staff.) 6,000

Project Total \$79,300

**Comments:**

1. The proposed Supplemental Appropriation Ordinance would provide for determining the extent and type of the immediate repairs necessary to repair buildings damaged by the October 17, 1989 earthquake, whereas the continuing Seismic Retrofit Program is concerned with seismic problems with the City's UMBs in general.
2. Mr. David Prowler of the CAO's Office indicates that the costs of this project may be reimbursable by Federal Emergency Management Agency (FEMA) funds.
3. Mr. Paul Deutch of the Department of City Planning reports that the request for a computer and printer have not yet been submitted to the Electronic Information Processing Steering Committee (EIPSC) for review and approval. Therefore, the \$6,000 requested for a computer and printer should be reserved pending EIPSC approval.

**Recommendations:**

1. Amend the proposed Supplemental Appropriation Ordinance to reserve \$6,000 for the computer and printer pending EIPSC approval.
2. Approve the proposed Supplemental Appropriation Ordinance as amended.

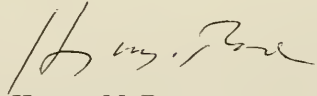
BOARD OF SUPERVISORS  
BUDGET ANALYST



Memo to Finance Committee  
November 15, 1989

Items 16 through 19 - Files Various

The proposed ordinances authorizing settlements of litigation are legal matters under the responsibility of the City Attorney's Office. The Budget Analyst does not normally review and report on such items.



Harvey M. Rose

cc: Supervisor Walker  
Supervisor Ward  
Supervisor Hallinan  
President Britt  
Supervisor Alioto  
Supervisor Gonzalez  
Supervisor Hongisto  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Nelder  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Carol Wilkins  
Stacy Becker  
Ted Lakey



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RECESSED CALENDAR  
MEETING OF

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NOV 28 1989

SPECIAL JOINT MEETING OF  
FINANCE/HUMAN SERVICES COMMITTEE

SAN FRANCISCO  
CALIFORNIA 94102

Board of Supervisors  
City and County of San Francisco

MONDAY, NOVEMBER 20, 1989 - 11:00 A.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, ALIOTO, WARD, HONGISTO, GONZALEZ,  
HALLINAN

ABSENT: SUPERVISORS WARD, HONGISTO

CLERK: GREG HOBSON

1. File 79-89-5. [Federal Funding - Community Development]  
Resolution approving the 1990 Community Development Program and Housing Assistance Plan. Authorizing the Mayor, on behalf of the City and County of San Francisco, to apply for, receive, and expend the City's 1990 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, transfer and expend reprogrammed funds from prior year Community Development programs up to \$17,485,927. Approving expenditure schedules for recipient departments and agencies and for indirect costs, and, determining no environmental evaluation is required, authorizing the receipt and deposit in contingencies of 1990 CDBG entitlement funds in excess of \$17,485,927. (Mayor)

(Recessed from 11/17/89)

ACTION: EXPENDITURE AMENDED. RECOMMENDED AS AMENDED.

CHANGES TO EXPENDITURE SCHEDULES:

ADD: \$ 35,000 - Ocean View, Merced, Ingleside Comm. Assn.  
12,000 - OMI-Pilgram Community Center  
40,156 - Asian, Inc.  
38,329 - Asian, Inc.  
15,000 - Oakes Children's Center  
35,000 - Self-Help for Elderly  
20,000 - Mission Lag/Voc. Sch./Mission Econ. Dev.  
18,000 - Mission Econ. Cultural Assn.  
12,000 - Heritage Foundation  
\*20,000 - Mayor's Office of Community Development  
\$245,485

(over)

REDUCE: \$114,357 - Mayor's Office of Community Development  
 25,415 - American Red Cross  
 553 - Human Rights Commission  
 11,000 - City Attorney  
 9,423 - Disability Concerns Unit  
 6,578 - Mayor's Office of Housing  
 1,100 - Dept. City Planning  
 77,029 - Mayor's Office Community Develop.  
 Contingency

\$245,485

\*THE FOLLOWING FUNDS ARE HEREBY PLACED ON RESERVE AND TO BE RELEASED BY THE FINANCE COMMITTEE:

\*\$3,802,000 - Redevelopment Agency  
 \$\*20,000 - Samoa mo Samoa  
 \$\*20,000 - Mayor's Office of Community Development  
 \$\*17,275 - Urban Economic Develop. Corp.  
 \$\*39,872 - Mayor's Office of Community Development  
 (Accountant Position)

TO BOARD AS COMMITTEE REPORT, MONDAY, NOVEMBER 20, 1989, AMENDMENT OF THE WHOLE PREPARED IN AND REPORTED OUT OF COMMITTEE. ADOPTED. RECOMMENDED. NEW TITLE: "Approving the 1990 Community Development Program and Housing Assistance Plan as amended, authorizing the Mayor, on behalf of the City and County of San Francisco, to apply for, receive and expend the City's 1990 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, transfer and expend reprogrammed funds from prior year Community Development programs up to \$17,485,927. Approving expenditure schedules as amended for recipient departments and agencies and for indirect costs, and determining no environmental evaluation is required, authorizing the receipt and deposit in contingencies of 1990 CDBG entitlement funds in excess of \$17,485,927; and authorizing the Mayor to enter and execute contracts with the San Francisco Housing Authority and San Francisco Redevelopment Agency."

SF  
BOARD of SUPERVISORS



City Hall  
San Francisco 94102  
554-5184

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NOV 16 1989

SAN FRANCISCO  
CALIF. 94102

≡ NOTICE OF CANCELLED MEETING  
FINANCE COMMITTEE

NOTICE is hereby given that the regular meeting of the Finance Committee, scheduled for Wednesday, November 22, 1989, at 2:00 p.m., has been cancelled. The next regular meeting will be held on Wednesday, November 29, 1989.

*Mary Anne Bulen*  
Mary Anne Bulen, Acting  
Clerk of the Board

POSTED: November 16, 1989

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CALENDAR  
MEETING OF  
FINANCE COMMITTEE

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Board of Supervisors  
City and County of San Francisco

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WEDNESDAY, NOVEMBER 29, 1989 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN

ABSENT: SUPERVISOR WARD

CLERK: GREG HOBSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

- I. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll-call vote of the committee. There will be no separate discussion of these items unless a member of the committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
  - a) File 25-89-28. [Contracting Out City Services] Resolution concurring with the Controller's certification that janitorial services at the Ferry Building and surrounding areas, the agricultural building, the cruise ship terminal and at various Port piers can be practically performed by private contractor for lower cost than similar work services performed by City and County employees. (Port)
  - b) File 28-89-15. [Airport Administration] Resolution approving Declaration of Emergency, San Francisco International Airport emergency earthquake repair work - airfield, Airport Contract No. 2262, construction Budget - \$500,000. (Airports Commission)
  - c) File 28-89-16. [Airport Administration] Resolution approving Declaration of Emergency, San Francisco International Airport emergency earthquake repair work - water mains, Airport Contract No. 2260, Construction Budget - \$200,000. (Airports Commission)
  - d) File 28-89-17. [Airport Administration] Resolution approving Declaration of Emergency, San Francisco International Airport emergency earthquake repair work - airfield support, Airport Contract No. 2264, Construction Budget - \$400,000. (Airports Commission)
  - e) File 28-89-18. [Airport Administration] Resolution approving Declaration of Emergency, San Francisco International Airport emergency earthquake repair work - grounds, Airport Contract No. 2264, Construction Budget - \$250,000. (Airports Commission)

- f) File 28-89-19. [Airport Administration] Resolution approving Declaration of Emergency, San Francisco International Airport emergency earthquake repair work - utilities, Airport Contract No. 2266, Construction Budget - \$250,000. (Airports Commission)

ACTION: ITEMS A, B, E AND F SEVERED. ITEMS C AND D RECOMMENDED.

ITEM A - RECOMMENDED.

ITEM B - AMENDED. RECOMMENDED AS AMENDED. Reduce amount to \$276,636. AMENDED TITLE: "Approving declaration of emergency, San Francisco International Airport emergency earthquake repair work-airfield, Airport Contract No. 2262. Construction Budget - \$276,636."

ITEM E - TABLED.

ITEM F - AMENDED. RECOMMENDED AS AMENDED. Reduce amount to \$100,870. AMENDED TITLE: "Approving declaration of emergency, San Francisco International Airport emergency earthquake repair work-utilities, Airport Contract No. 2266. Construction Budget - \$100,870."

REGULAR CALENDAR

2. File 97-89-12. [Credit Cards] Ordinance amending the Administrative Code by adding Section 10.11-1, authorizing officers, boards and commissions of the City and County of San Francisco to accept payments by credit cards. (Supervisor Kennedy)

(Cont'd from 11/15/89)

ACTION: CONTINUED TO DECEMBER 13, 1989, MEETING.

3. File 12-89-24. [Alcohol Tax] Resolution supporting an increase in the Alcohol Beverage Tax. (Supervisor Kennedy)

(Cont'd from 11/15/89)

ACTION: CONTINUED TO DECEMBER 13, 1989, MEETING.

4. File 101-89-50. [Government Funding] Ordinance appropriating \$190,409, Public Health - Central Office, San Francisco General Hospital and Community Mental Health Services, for permanent salaries-miscellaneous; rescinding \$197,854 from permanent salaries - nurses, permanent salaries-miscellaneous and related mandatory fringe benefits, for the creation of seven (7) positions and the deletion of five (5) positions and the establishment of the new classification 2218 Physician Specialist. (Controller) RO #9129 (COMPANION TO THE FOLLOWING FILE)

(Cont'd from 11/15/89)

ACTION: AMENDED. TO BOARD "WITHOUT RECOMMENDATION". Reduce amount to be appropriated from \$190,409 to \$132,642; reduce amount to be rescinded from \$197,854 to \$178,468; increase General Reserve from \$7,445 to \$45,826. AMENDED TITLE: "Appropriating \$132,642 for permanent salaries - miscellaneous and rescinding \$178,468 from permanent salaries - nurses, permanent salaries - miscellaneous and related mandatory fringe benefits, for the creation of seven (7) positions and the deletion of five (5) positions and the establishment of the new classification of 2218 Physician Specialist, Public Health - Central Office, San Francisco General Hospital and Community Mental Health Services, for fiscal year 1989-90."

5. File 102-89-18. [Public Employment] Ordinance amending Annual Salary Ordinance 1989-90, Department of Public Health, Central Office, San Francisco General Hospital and Community Mental Health Services, reflecting the establishment of the new position classification 2218 Physician Assistant and the reallocation of five (5) positions (Classifications (3) 2328 Nurse Practitioner, (2) 2230 Physician Specialist). (Civil Service Commission) (COMPANION TO THE PRECEDING FILE)

(Cont'd from 11/15/89)

ACTION: TO BOARD "WITHOUT RECOMMENDATION."

6. File 97-89-31. To consider policy setting, administration and budgeting of Narcotics Forfeiture and Asset Seizure Fund. (Supervisor Walker)

ACTION: HEARING HELD; RESOLUTION PREPARED IN AND REPORTED OUT OF COMMITTEE. RECOMMENDED. ENTITLED: "Supporting the funding and policy recommendations of the Mayor's Office of Criminal Justice Planning for the Narcotics Forfeiture and Asset Seizure Fund."

7. File 97-89-52. [Membership in Organization] Ordinance amending Administrative code by amending Section 16.6-29 to add organizations onto the membership list of the Employees Retirement System. (Supervisor Maher)

ACTION: RECOMMENDED.

8. File 101-89-54. [Appropriation Ordinance] Ordinance amending Annual Appropriation Ordinance for 1989-90 to appropriate State and Federal Disaster Funds and authorizing Controller to transfer funds to credit of department which initially incurred expense. (Controller)

ACTION: AMENDED. RECOMMENDED AS AMENDED. On line 4 after "expense" add "relating to the October 17, 1989, earthquake. On line 10 after "from" replace "any natural disaster or emergency situation proclaimed by the Mayor" with "the October 17, 1989, earthquake and related aftershocks"; on line 15 add a sentence to read: "The Controller shall file on a quarterly basis with the Board of Supervisors and the Mayor a report detailing all costs and revenue reimbursements to the City recovered as provided in this section." AMENDED TITLE: "Amending Annual Appropriation Ordinance for 1989-90 to appropriate State and Federal Disaster Funds and authorizing Controller to transfer funds to credit of department which initially incurred expense relating to October 17, 1989, earthquake."

9. File 101-87-13.7. To consider release of reserved funds, Fire Department, in the amount of \$1,019,375 for the purchase of valve actuators, controllers and related equipment for the motorization of gate valves for the Fire Department's High Pressure System. (Fire Dept.)

ACTION: RELEASE OF \$976,976 APPROVED; FILED.

10. File 101-88-118.2. To consider release of reserved funds, Parking Authority, in the amount of \$2,600,000 to purchase property located at 2444-2470 California Street for the purpose of developing a parking facility. (Parking Authority)

ACTION: RELEASE OF \$2,600,000 APPROVED; FILED.

CLOSED SESSION

11. File 45-89-49. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of David Kurland Against the City and County of San Francisco by payment of \$10,000. (City Attorney) (Superior Court No. 831-537)

ACTION: RECOMMENDED.

12. File 45-89-50. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Joel Ventresca against the City and County of San Francisco by payment of \$18,500. (City Attorney) (Superior Court No. 837-926)

ACTION: RECOMMENDED.

13. File 48-89-14. [Settlement of Claim] Resolution approving the settlement of the unlitigated claim of Perry Kurtz by payment of \$11,000. (City Attorney)

ACTION: RECOMMENDED.

14. File 49-89-2. [Unlitigated Claim] Resolution approving settlement of unlitigated claim in the amount of \$16,500 of City and County of San Francisco v. Golden Gate Parking in the favor of the City and County. (City Attorney)

ACTION: RECOMMENDED.

15. File 45-89-51. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Stacy and Witbeck, Inc., against the City and County of San Francisco, et al., by payment of \$250,000. (City Attorney) (Superior Court No. 873-261)

ACTION: RECOMMENDED.

16. File 45-89-52. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Marion S. Lombardo against the City and County of San Francisco by payment of \$18,000. (City Attorney) (Superior Court No. 876-803)

ACTION: RECOMMENDED.

17. File 45-89-53. [Settlement of Lawsuit] Ordinance authorizing settlement of litigation of Rosargentina Herrera against the City and County of San Francisco by payment of \$24,500. (City Attorney) (Superior Court No. 897-611)

ACTION: RECOMMENDED.

ADDENDUM CALENDAR  
FINANCE COMMITTEE

18. File 161-89-7. [Redevelopment Agency] Resolution approving an amendment to the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 1989-90. (Supervisor Walker)

ACTION: RECOMMENDED.

CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 552-9292

November 29, 1989

**TO:** Finance Committee  
**FROM:** Budget Analyst  
**SUBJECT:** November 29, 1989 Finance Committee Meeting

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Item 1a - File 25-89-28

**Department:** Port of San Francisco

**Proposed Actions:**

1. Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by City employees.
2. Authorizing the San Francisco Port Commission to contract for janitorial services on a month-to-month interim basis pending completion of the competitive bidding process.

**Services to be Performed:** Janitorial Services at the Ferry Building and surrounding areas, the Agricultural Building, the Cruise Ship Terminal and at various Port piers.

**Description:** The Controller has determined that contracting for these janitorial services in fiscal year 1989-90 would result in estimated savings as follows:



	Lowest Salary Step	Highest Salary Step
<u>City Operated Services Costs</u>		
Salaries	\$314,887	\$382,919
Fringe Benefits	89,341	104,839
Operating Expenses	<u>33,500</u>	<u>33,500</u>
Total	\$437,728	\$521,258
<u>Contracted Service Cost</u>	<u>418,520</u>	<u>418,520</u>
<u>Estimated Savings</u>	\$19,208	\$102,738

**Comments:**

1. Janitorial services were first certified as required by Charter Section 8.300-1 in 1982 and have been provided by an outside contractor since 1979.

2. The Port has split the contract into two service areas to allow greater participation of minority and women bidders. The services are currently provided on a month-to-month basis by Lewis and Taylor Building Maintenance at the Ferry Building, and by Ward's Building Maintenance (a Minority Business Enterprise) at the Agricultural Building, the Cruise Ship Terminal and at various Port piers. The Contracted Service Cost estimate used for the purpose of this analysis is based on informal bids from the current contractors.

3. According to Mr. Steve Amano of the Port, the janitorial services have been provided on a month-to-month basis by Lewis and Taylor and Ward's Building Maintenance since January 1, 1989, because the Department of Public Works (DPW) had provided the Controller with cost estimates showing that the janitorial services could be provided by City DPW workers at lower costs. The DPW has since revised its estimates to better reflect actual costs, and the Controller has certified that the janitorial services could be performed at a lower cost by contractors than by City employees.

4. As noted earlier, the proposed resolution would also authorize the Port to contract for janitorial services on an interim month-to-month basis pending completion of the competitive bidding process. Mr. Amano reports that the Port anticipates completion of the bidding and selection process within three months of approval of the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
November 29, 1989

5. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of the contracts, is attached.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



CHARTER 8.30v-1 (Proposition J) QUESTIONNAIRE

Department Port Commission For Time Period F.Y. 1989/90  
Contract Services Janitorial Services

- 1) Who performed services prior to contracting out?

The services were performed by City staff consisting at the time of 15 Janitors, 1 Janitor Sub-Foreman, and 1 Janitor Foreman, a total of 17 people, prior to the work being contracted in November 1979.

- 2) Number of City employees laid off as result of contracting out?

I believe sixteen people were laid off however, they were all immediately, or shortly thereafter, hired by other City depts.

- 3) Explain disposition of employees if they were not laid off.

All were rehired in other City departments during 1979/80.

- 4) What percent of a City employee's time is spent on services to be contracted out?

11 Custodians - 2708 (100%)

1 Custodian Assistant Supervisor - 2716 (100%)

1 Custodian Supervisor - 2718 (100%)

- 5) How long have the services been contracted out?

Since 1979

- 6) What was the first fiscal year for a Proposition J Certification?

- 7) How will contract services meet the goals of your MBE/WBE Action Plan?

The Port has divided janitorial services into segments that can be individually bid. This will enhance the opportunity for minority, women and small business enterprises to successfully compete for these contracts. An MBE firm currently performs a portion of these services.



Department Representative  
Stephen Amano, Personnel Manager

Telephone: 274-0422



Item 1b - File 28-89-15

**Department:** Airports Commission

**Item:** Emergency Resolution. Section 6.30 of the Administrative Code states that approval by the Board of Supervisors is to be obtained for emergency expenditures in excess of \$25,000.

**Amount:** \$500,000

**Source of Funds:** 1983 Series B Airport Revenue Bonds

**Description:** The Airports Commission has determined that an emergency has occurred involving the airfield at San Francisco International Airport resulting from damage caused by the earthquake of October 17, 1989. An emergency was declared by the Airports Commission on October 20, 1989. The damage to the airfield, which had to be repaired, included the following repair work:

- 1) water accumulating from a broken water main created a sinkhole on the apron 20 feet wide by 15 feet deep and buckled the pavement.
- 2) the wood light trestles extending into the Bay were damaged.
- 3) the lining of the industrial holding pond cracked.

**Contract  
Procedure:**

The Airport reports that due to the urgent nature of the required repairs to the airfield and the inability of Airport Civil Service maintenance staff to accomplish the needed repairs, an expedited contracting procedure was used as is permitted under Section 6.30 of the Administrative Code. Under such authority, competitive bidding procedures, through formalized newspaper advertising, need not be utilized. Consequently, DRSML Divers was awarded the contract to repair the trestles on a sole source basis because this firm had received another contract from the Airport for similar repair work on the trestles. O'Grady Corporation was awarded the contract to fill the sinkhole and repair the apron pavement on a sole source basis because this firm was the low bidder on the Airport's emergency paving contract. RPA Construction was awarded the contract to replace the lining of the industrial holding pond on a sole source basis because this firm had done previous repairs to the pond.



**Contract Awards:** DRSML Divers - October 19, 1989  
O'Grady Corporation - October 18, 1989  
RPA Construction - October 23, 1989

**Contract Completion**

**Dates:** DRSML Divers - October 27, 1989  
O'Grady Corporation - October 24, 1989  
RPA Construction - December 1, 1989 (Estimated)

**Comments:** 1. The actual cost of repairs to the airfield facilities is as follows:

	<u>Contractor</u>	<u>Amount</u>
Trestle Repairs	DRSML Divers	\$19,245
Apron Pavement Repairs	O'Grady Corporation	93,391
Industrial Holding Pond Repairs	RPA Construction	<u>164,000</u>
Total Cost		\$276,636

2. In addition to the above-noted earthquake-related damage, the dikes at the Airport, which keep water off the airfield, were damaged by the earthquake. Currently, Airport Civil Service maintenance staff are making the repairs to the dikes on an as-needed basis. The estimated cost, to date, of this latter repair work is \$3,000, financed by previously budgeted Airport revenues.

3. The original estimated amount of the emergency repair work, as contained in this proposed resolution, is \$500,000. As previously noted, the actual cost of the repairs to the trestles, the apron pavement and the industrial holding pond totaled \$276,636, leaving a balance of \$223,364. According to the Airport, this balance would be used for additional contract repair work to the dikes, if such repair work becomes necessary.

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4. Since it is unknown if such future repair work will be necessary, an emergency procedure to perform such repair work to the dikes should not be utilized at this time. According to Mr. Ernie Eavis of the Airports Commission, the extent of such repair work will not be determined until the dikes have been examined during a period of heavy rain and high tides. Such repair work, if necessary, should be awarded through a formalized competitive bidding process, rather than using the proposed emergency procedure, since the emergency procedure authorizes contract awards to be made without the use of formal competitive advertising for such contracts. If emergency repair work through outside contractors does become necessary on the dikes in the future, the Airports Commission should submit, at that time, a separate emergency resolution for the costs of those repairs.

5. Therefore, the Budget Analyst recommends that the proposed resolution be amended to reduce the amount contained in the proposed resolution by \$223,364 from \$500,000 to \$276,636, representing the actual cost of the repair work accomplished by outside contractors.

**Recommendation:** Amend the proposed resolution by reducing the amount in the title and on line 18 by \$223,364 from \$500,000 to \$276,636. As previously noted, this latter amount represents the actual costs of the emergency repair work accomplished through outside contracts. Approve the proposed resolution as amended.

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Item 1c - File 28-89-16

**Department:** Airports Commission

**Item:** Emergency Resolution. Section 6.30 of the Administrative Code states that approval by the Board of Supervisors is to be obtained for emergency expenditures in excess of \$25,000.

**Amount:** \$200,000

**Source of Funds:** 1983 Series D Airport Revenue Bonds

**Description:** The Airports Commission has determined that an emergency has occurred involving the water mains at San Francisco International Airport resulting from damage caused by the earthquake of October 17, 1989. An emergency was declared by the Airports Commission on October 20, 1989. There were seven different breaks in the water mains which caused portions of the Airport's water system to be shut down.

**Contract Procedure:** The Airport reports that due to the urgent nature of the required repairs to the water mains and the inability of Airport Civil Service maintenance staff to accomplish the needed repairs, an expedited contracting procedure was used as is permitted under Section 6.30 of the Administrative Code. Under such authority, competitive bidding procedures, through formalized newspaper advertising, need not be utilized. Consequently, MGM Corporation was awarded the contract for repairs to the water mains on a sole source basis because this firm was able to begin repairs immediately.

**Contract Award Date:** October 18, 1989

**Estimated Contract Completion Date:** November 24, 1989

**Comment:** MGM Corporation has repaired all of the breaks in the water mains and the project will be finally completed once the valve has been repaired in the water main that services United Airline's portion of the terminal. It is estimated that the project will be finally completed on or before November 24, 1989. The current estimated total cost of the repairs is \$200,000.

**Recommendation:** Approve the proposed resolution.

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Item 1d - File 28-89-17

**Department:** Airports Commission

**Item:** Emergency Resolution. Section 6.30 of the Administrative Code states that approval by the Board of Supervisors is to be obtained for emergency expenditures in excess of \$25,000.

**Amount:** \$400,000

**Source of Funds:** 1983 Series D Airport Revenue Bonds

**Description:** The Airports Commission has determined that an emergency has occurred involving the support buildings at San Francisco International Airport resulting from damage caused by the earthquake of October 17, 1989. An emergency was declared by the Airports Commission on October 24, 1989. The damage to the support buildings, which had to be repaired, included the following repair work:

- 1) Sufficient damage to the Airborne Express building to require its demolition.
- 2) Substantial damage to the ceiling in the engineering building and minor damage to other support buildings.

**Contract Procedure:** The Airport reports that due to the urgent nature of the required repairs to the support buildings and the inability of Airport Civil Service maintenance staff to accomplish the needed repairs, an expedited contracting procedure was used as is permitted under Section 6.30 of the Administrative Code. Under such authority, competitive bidding procedures, through formalized newspaper advertising, need not be utilized. Firma Corporation was awarded the contract for demolition of the Airborne building on a sole source basis because it was able to begin repairs earlier than the other three contractors contacted.

**Contract Award:** Firma Corporation - October 19, 1989

**Contract Completion Date:** Firma Corporation - October 31, 1989

**Comments:** 1. The actual cost to demolish the Airborne Express building by Firma Corporation was \$155,000.

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2. Repairs to the engineering building, which suffered severe damage to the ceiling, and other minor repairs to Airport support buildings and structures have not yet begun. The estimated cost for such repairs is \$245,000.

3. According to Mr. Ernie Eavis of the Airport, a contract for all of this latter repair work will be awarded immediately after the structural engineer, who is evaluating these facilities, has determined the appropriate procedure for bracing the ceiling in the engineering building. Mr. Eavis states that this will be determined shortly and the contract for this repair work will be awarded during the week of November 27, 1989.

**Recommendation:** Approve the proposed resolution.



Item 1e - File 28-89-18

**Department:** Airports Commission

**Item:** Emergency Resolution. Section 6.30 of the Administrative Code states that approval by the Board of Supervisors is to be obtained for emergency expenditures in excess of \$25,000.

**Amount:** \$250,000

**Source of Funds:** 1983 Series C Airport Revenue Bonds

**Description:** The Airports Commission has determined that an emergency has occurred involving the groundside facilities at San Francisco International Airport resulting from damage caused by the earthquake of October 17, 1989. An emergency was declared by the Airports Commission on October 24, 1989. The damage to the groundside facilities, which has to be repaired, included the following repair work:

- 1) falling plaster and concrete in the parking garage.
- 2) concrete that fell off the upper roadway at the Airport.

**Contract Procedure:** The Airport had reported that due to the urgent nature of the required repairs to the airfield and the inability of Airport Civil Service maintenance staff to accomplish the needed repairs, an expedited contracting procedure was used as is permitted under Section 6.30 of the Administrative Code. Under such authority, competitive bidding procedures, through formalized newspaper advertising, need not be utilized.

**Comments:** According to Mr. Ernie Eavis of the Airport, the repairs to the parking garage and the upper roadway do not need to be accomplished on an emergency basis at this time. Therefore, the Budget Analyst recommends that this proposed resolution be tabled. This would enable any repair contracts to be awarded through a formalized competitive bidding process in lieu of awarding the contract on an emergency basis which does not require competitive bidding.

**Recommendation:** Table the proposed resolution.

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Item 1f - File 28-89-19

**Department:** Airports Commission

**Item:** Emergency Resolution. Section 6.30 of the Administrative Code states that approval by the Board of Supervisors is to be obtained for emergency expenditures in excess of \$25,000.

**Amount:** \$250,000

**Source of Funds:** 1983 Series D Airport Revenue Bonds

**Description:** The Airports Commission has determined that an emergency has occurred involving the utility system at San Francisco International Airport resulting from damage caused by the earthquake of October 17, 1989. An emergency was declared by the Airports Commission on October 24, 1989. The damage to the utility system, which had to be repaired, included the following repair work:

- 1) The toppling of light poles in the north field area.
- 2) A blown transformer coil.

**Contract Procedure:** The Airport reports that due to the urgent nature of the required repairs to the utility system and the inability of Airport Civil Service maintenance staff to accomplish the needed repairs, an expedited contracting procedure was used as is permitted under Section 6.30 of the Administrative Code. Under such authority, competitive bidding procedures, through formalized newspaper advertising, need not be utilized. Consequently, Monarch Construction was awarded the contract to replace the light poles on a sole source basis because Monarch is currently doing work on the lights in the terminals. Westinghouse Corporation was awarded the purchasing contract to replace the transformer because Westinghouse supplied the original transformers.

**Contract Award:** Monarch Construction - October 27, 1989  
Westinghouse Corporation - October 29, 1989

**Contract Completion Date:** Monarch Construction - December 1, 1989 (Estimated)  
Westinghouse Corporation - November 20, 1989

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**Comments:** 1. The actual cost of repairs to the utility system is as follows:

	<u>Contractor</u>	<u>Amount</u>
Replacement of Light Poles	Monarch Construction	\$35,595
Replacement of Transformer	Westinghouse Corporation	<u>65,275</u>
Total Cost		\$100,870

2. According to Mr. Ernie Eavis of the Airport, this was the total extent of damage to the Airport utility system. Therefore, the Budget Analyst recommends that the proposed resolution be amended to reduce the amount contained in the proposed resolution by \$149,130 from \$250,000 to \$100,870, representing the actual cost of repair work to be completed by the outside contractors.

**Recommendation:** Amend the proposed resolution by reducing the amount in the title and on line 17 by \$149,130 from \$250,000 to \$100,870. As previously noted, this latter amount represents the actual costs of the emergency repair work to be accomplished through outside contracts. Approve the proposed resolution as amended.

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Item 2 - File 97-89-12

**Note:** This item was continued by the Finance Committee at its meeting of November 15, 1989.

1. The proposed ordinance would amend the Administrative Code by adding Section 10.11-1, authorizing all officers, boards and commissions of the City to accept payment of fees and other charges by credit card for services provided by the City. Credit card payments would have to be made in person and not by telephone or mail, and would only be accepted for payments of \$10 or more.

2. According to the City Attorney, California Government Code Section 6159 authorizes cities to accept credit cards for certain types of payments, including the deposit of bail or fines for parking tickets or misdemeanors, for payment of car towage or storage fees resulting from parking violations, or for payment of other charges or fees for services rendered by the City. Section 6159 does not permit the use of credit cards for making other payments, such as property or payroll taxes.

**Comments**

1. The attached report, prepared by the City's Treasurer, provides a summary of some of the advantages and disadvantages of the proposed ordinance. The advantages include convenience to the payor, a possible reduction in bad checks received, and quicker deposit of funds to the City's accounts. The disadvantages include payment delays involving disputed charges, the need to set aside City funds to pay bank service fees and therefore a reduction in funds available for investment, the need for training for employees involved with credit card payments, and the need for additional administrative time to reconcile disputed charges.

2. The Treasurer reports that the credit card discount fee, which is the monthly charge for credit card transaction processing, would cost the City approximately two percent of the credit card charges. Additional monthly bank charges include account maintenance, computer terminal rental, computer time, and fees for deposits, couriers and balance reports. The Treasurer indicates that the actual monthly costs to the City would depend on the dollar amount and the number of credit card transactions, and the Treasurer is unable to provide an estimate of the actual costs to the City without this information.

3. The Treasurer advises that the proposed legislation should require City departments to obtain approval of the Treasurer prior to establishing systems for credit card payment. The Treasurer indicates that this additional requirement would allow the Treasurer to ensure that credit card payments would be cost-effective for the department requesting the system. The Budget Analyst concurs with the Treasurer that new credit card payment systems should be approved by the Treasurer.

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4. Article X, Section 10.57A of the Administrative Code currently authorizes the Municipal Court and the Police Department to accept credit card payments for bail for misdemeanor offenses and for traffic fines. According to Mr. Tom Carrick of the Treasurer's Office, the Municipal Court collects approximately \$90,000 to \$100,000 per month in traffic fines and misdemeanor bail payments, from which approximately \$1,800 to \$2,000 is deducted for the bank's discount fee. Other monthly charges total approximately \$2,000. If these traffic fine and misdemeanor bail payments were paid in cash or by check, the City could have realized an additional amount of approximately \$4,000. The experience of the Municipal Court may or may not represent the experience of other City departments, should credit card payments be authorized City-wide.

**Recommendation**

Approval of the proposed ordinance, which would provide a convenience to the public at an indeterminable cost to the City, is a policy matter for the Board of Supervisors. If the Board approves the proposed ordinance, amend the legislation to require that departments receive approval of the Treasurer prior to the establishment of a new credit card payment system.



Proposed legislation for accepting payment by credit card for services rendered by the City and County of San Francisco.

There is proposed legislation by Supervisor Kennedy which would allow City and County departments to accept payment by credit card for services rendered. The minimum acceptable payment is \$10.00.

In reviewing this legislation and the possible effects on the City and County, especially the Treasurer's Office, there are some advantages and many disadvantages associated with this legislation.

#### Advantages

- A. Convenience to payor. Payor can pay by credit card rather than carry cash.
- B. A possible reduction in bad checks issued. This advantage is offset somewhat by a disadvantage indicated below. (Disadvantage B)
- C. If the department(s) use an electronic terminal, similar to the current Municipal Court traffic citation/bail system, each payment would be immediately credited to the City's account at time of transaction. This would eliminate the delay in deposit of funds. Also no float would be involved in a deposit. However, if a manual system is employed, there would be a delay in deposit of transaction slips, but with no float involved.

#### Disadvantages:

- A. Under Federal law, when a credit card holder disputes an item on the credit card statement, the bank will remove the item and chargeback the merchant (City and County of San Francisco) the item purchase price plus interest from the date of posting to date of chargeback.

Should this occur, an individual who has made payment by credit card can dispute the charge on the monthly statement and the bank will reduce the merchant's account by the disputed account plus interest. If this happened to a city's account, the payor could be long gone before the department could recover the deducted funds from the payor. This disadvantage partially reduces Advantage B above.

- B. If a credit card system is implemented, either an electronic or manual system, funds will be placed in a City designated bank account which will require a compensating balance or direct payment for services provided by the bank. As a result, the funds used to pay the bank cost will not be available for investment purposes, therefore reducing investment income.



- C. In using a credit card payment system, the bank charges the merchant a discount fee for the processing of the credit card transaction. The current rate charged by Security Pacific National Bank for processing the Muni Court's transactions is 1.77%. Note: If a manual system was in place, the rate would be over 2%. This fee is charged on the monthly bank statement as a debit to the account.

As a result of this fee, revenues of the City and County would be reduced by the amount of the fee (at least 1 - 2%). As the fee rate increases and transaction volume, the more revenues will be lost to the city.

- D. Additional costs will be incurred with the selection of either an electronic or manual system.

Costs are as follows:

<u>Service</u>	<u>Electronic</u>	<u>Manual</u>
1. Account Maintenance (per month)	\$ 13.00	\$ 13.00
2. Branch deposit (per deposit)	1.25	1.25
3. Debits (per item)	.12	.12
4. Balance report (per month)	75.00	75.00
5. Connect time (per minute)	.3333	.3333
6. Computer printed item (per item)	.20	.20
7. FDIC (per collected balance)	.058%	.058%
8. Terminal rental (per terminal)	50.00	50.00
9. Courier (per month)	100.00 +	100.00 +

The actual cost per month will depend on transaction volume or collection balance.

- E. Should this legislation be law, there is the question as to which departments will decide to accept this type of payment. Of those that do, they will have to be advised that:

1. Their designated staff will have to be fully trained in the preparation and completion of the transaction sales slips. Payment by credit card will take longer than by check or cash as bank authorization for each transaction must be obtained and transaction slip completed.
2. New reconciliation procedures to conform with Treasurer's Office and Controller reporting and reconciling requirements.
3. Avoid the experience of Municipal Court in dealing with credit card transactions both with manual and electronic systems.



4. Under state law, the payment of Real Estate taxes cannot be accepted by credit card. However, as a state law, it could be changed.
- F. Should any city department decide to accept credit card payments, they should:
1. Receive approval from the Treasurer's Office and Controller prior to accepting credit card payments.
  2. Require that the minimum credit card transaction be \$100.00. Unless the transaction dollar volume is able to cover the city's bank charges through analysis, additional funds will have to be placed in the account for a period of time to maintain sufficient balances for analysis requirements. As a result, these additional funds will not be available for investment purposes.

NOTE: The above request will allow the Treasurer and Controller to review and determine if this method of payment is feasible and cost effective.

- G. Changes in the Treasurer's Office:
1. Possible new reconciliation headaches.
  2. Bidding process for selection of bank to process credit card transactions.
  3. A drop of 1 - 2% in revenue due to the discount fee charged by the bank. This fee is automatically deducted from the account based on the prior month's activity.



Item 3 - File 12-89-24

**Note:** This item was continued at the November 15, 1989 Finance Committee meeting.

1. The proposed resolution would support an increase in the State's alcoholic beverage tax. The proposed resolution would also support dedicating the increased revenues from the increased tax to alcohol and drug abuse related services. If the proposed resolution is approved, copies of this resolution would be forwarded to the Mayor for transmission to the State Legislative Advocate for presentation to the San Francisco delegation in the State Legislature and the Governor with the request that all actions necessary and appropriate to carry out the intent of this resolution be expedited.

2. The current rate of alcoholic tax varies by type of beverage. In general, current excise taxes are imposed on each gallon of alcoholic beverage at the following rates:

<u>Alcoholic Beverage</u>	<u>Excise Tax Per Gallon</u>
Wine	1¢
Dessert Wine	2¢
Sparkling Wine	30¢
Beer	4¢
Distilled Spirits	\$2.00

In addition, all alcoholic beverages sold in California are assessed sales taxes based on the retail value of the beverage sold. San Francisco currently has a sales tax rate of 6.5 percent.

3. Mr. Joe Cucchiara, consultant to those California counties that are supporting a State Ballot Initiative to increase the alcoholic beverage tax, reports that the current alcoholic beverage tax has been in effect since 1937. The proposed State Ballot Initiative would increase the alcoholic beverage tax 5¢ per unit of alcoholic beverage, according to the following units: 12 ounces of beer, 5 ounces of wine, 3 ounces of fortified wine and 1 ounce of distilled spirits. The tax would be assessed at the point of wholesale. As an example, the proposed increase in tax rates would translate to an additional tax of \$1.28 per gallon of wine over the current tax of 1¢ per gallon of wine.



4. Mr. Cucchiara reports that based on the current year's rate of consumption of alcoholic beverages, the increase in taxes as outlined in the proposed State Ballot Initiative would result in approximately \$800 million of additional annual tax revenues. The proposed draft initiative would allocate more than 75 percent of the increase in revenues, or approximately \$600 million annually, directly to counties for more than ten specified programs related to alcohol and drug treatment services. Allocation of the revenues would be based on a \$150,000 minimum to each county plus an additional share based on each county's share of the total State population. Mr. Cucchiara estimates that the annual share for the City and County of San Francisco would be more than \$15,794,286. Additional revenues from this increased alcoholic beverage tax in an undetermined amount would be available to supplement this \$15.8 million amount through programs that are not directly covered in the initial allocations. The Initiative was filed with the State Attorney General on November 9, 1989 and signature gathering will commence by December 14, 1989.

5. The primary opposition to an increase in the State alcoholic beverage tax is from the wine, beer and alcoholic spirits manufacturers, producers and distributors. Opposition is particularly strong from the wine producing areas of the State. In response to inquiries from the Budget Analyst, the Wine Institute reported that they are opposed to the proposed ballot initiative. The Wine Institute is currently working on a proposal that would raise, after several years, approximately \$180 million annually through a more moderate increase in the State alcoholic beverage tax. Although each county would be allocated a portion of the funds raised, specific allocation procedures have not been worked out.

6. CSAC was originally supporting the provisions in the proposed ballot initiative. However, CSAC informed the Budget Analyst that CSAC has now decided to take no position on the proposed increase in the State's alcoholic beverage tax.

7. According to Mr. Cucciara there are protections in the proposed ballot initiative that prohibit the State from using revenues from this tax to supplant current State per capita expenditures for alcohol and drug programs. However, the Budget Analyst notes that there are no similar provisions in the proposed ballot initiative which would preclude counties from using the new revenues to offset existing General Fund monies that are allocated for local alcohol and drug treatment purposes.

8. The Budget Analyst notes that the proposed resolution does not support a specific proposal for the raising of the State alcohol tax.

#### **Recommendation**

The proposed resolution is a policy matter for the Board of Supervisors.

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Items 4 and 5 - Files 101-89-50 and 102-89-18

**Note:** These items were continued from the November 15, 1989 Finance Committee Meeting.

**Department:** Department of Public Health (DPH),  
Central Office, Community Mental Health Services (CMHS)  
and San Francisco General Hospital (SFGH)

**Proposed Actions:** Supplemental Appropriation Ordinance for permanent salaries and mandatory fringe benefits for the creation of seven positions (File 101-89-50).

Annual Salary Ordinance amendment reflecting the addition of seven positions, the deletion of five positions and the establishment of a new classification (File 102-89-18).

**Amount:** \$190,409

**Source of Funds:** Reappropriation of previously budgeted 1989-90 General Fund and Hospital Operating Fund monies.

**Description:** The proposed amendment to the 1989-90 Salary Ordinance (File 102-89-18) would add seven positions, delete five positions and establish the new classification of 2218 Physician Assistant. The proposed amendments, which were approved at the August 21, 1989 meeting of the Civil Service Commission, are as follows:

<u>Action</u>	<u>No.</u>	<u>Class/Title</u>	<u>1989-90 Biweekly Salary</u>	<u>1989-90 Annual Salary</u>
<u>Public Health Central Office</u>				
Delete	1	2230R Physician Specialist	\$2,459-\$2,989	\$63,934-\$77,714
Delete	1	2230B Physician Specialist	2,459-2,989	63,934-77,714
Add	2	2230C Physician Specialist (part-time)	2,459-2,989	63,934-77,714
Add	2	2218B Physician Assistant	1,573-1,909	40,898-49,634
<u>CMHS</u>				
Delete	2	2328B Nurse Practitioner	1,650-2,064	42,900-53,664*
Add	2	2218B Physician Assistant	1,573-1,909	40,898-49,634
<u>SFGH</u>				
Delete	1	2328A Nurse Practitioner	1,650-2,064	42,900-53,664*
Add	1	2218B Physician Assistant	1,573-1,909	40,898-49,634

\* Beginning January 1, 1990 the biweekly salary will be \$1,682-\$2,104 and the annual salary will be \$43,732-\$54,704.

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At the top step, the seven positions to be added, would cost \$403,598 in annual salary costs, which is \$85,618 more than the \$317,980 annual salary costs for the five positions to be deleted. However, annual salary costs for two of the seven positions, which are part-time 2230 Physicians Specialists positions, would depend on the number of hours budgeted for the positions, and therefore total annual salary costs could be lower than \$403,598.

The proposed Supplemental Appropriation Ordinance (File 101-89-44) would appropriate \$190,409 for permanent salaries and mandatory fringe benefits and rescind \$197,854 from permanent salaries and mandatory fringe benefits for the creation of seven positions and the deletion of five positions as follows:

Appropriate

Public Health Central Office	
Permanent Salaries - Misc.	\$96,392
CMHS	
Permanent Salaries	62,678
SFGH	
Permanent Salaries - Misc.	31,339
Total Appropriation	\$190,409

Rescind

Public Health Central Office	
Permanent Salaries - Misc.	\$96,392
CMHS	
Permanent Salaries - Nurses	66,721
Mandatory Fringe Benefits	920
SFGH	
Permanent Salaries - Nurses	33,361
Mandatory Fringe Benefits	460
Total Amount to be Rescinded	\$197,854

In addition, \$7,445 of previously budgeted 1989-90 General Fund monies would be unappropriated and placed in the General Fund - General Reserve.



**Comments:**

1. The Civil Service Commission reports that the DPH has requested a new classification of 2218 Physician Assistant position be established to permit the employment of physician assistants, who would perform direct primary care and specialty care services for patients under the supervision of a physician. The positions to be allocated to the new 2218 Physician Assistant class would assess and manage the health care needs of patients, perform and interpret physical examinations and routine screenings and therapeutic procedures, and educate and counsel patients regarding their physical and mental health, and will be used in such settings as the Youth Guidance Center, Jails, City Clinics and San Francisco General Hospital.

2. According to Mr. Ed Gazzano of DPH, the DPH has identified five previously budgeted full-time positions (three 2328 Nurse Practitioners and two 2230 Physician Specialists) as positions which should be deleted and replaced with five full-time 2218 Physician Assistant positions and two part-time 2230 Physician Specialist positions. Of the five positions to be deleted, three positions are currently vacant, one position is currently occupied by a 2328 Nurse Practitioner and one position has been filled on an interim basis as a 2215 Mid-level Practitioner, which has a lower salary rate than the position to be deleted. Mr. Gazzano indicates that the 2328 Nurse Practitioner would be transferred to another position and the interim 2215 Mid-level Practitioner would become a 2218 Physician Assistant if the proposed legislation is approved.

3. The proposed supplemental appropriation of \$190,409 is based on the seven positions to be added being filled for 19.6 biweekly pay periods from September 29, 1989 through June 30, 1990. However, due to the approval process for supplemental appropriations, the positions could not be filled until December 25, 1989. Therefore, the proposed supplemental appropriation should be reduced by \$57,767 from \$190,409 to \$132,642 to fund the seven positions for 13.5 biweekly pay periods from December 25, 1989 to June 30, 1990, the amount to be rescinded should be reduced by \$19,386 from \$197,854 to \$178,468 to continue funding one 2328 Nurse Practitioner and one 2215 Mid-level Practitioner position for 6.1 biweekly pay periods from September 29, through December 24, 1989, and the amount to be unappropriated and placed in the General Fund - General Reserve should be increased by \$38,381 from \$7,445 to \$45,826 as follows:

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	<u>Requested Amount</u>	<u>Recommended Amount</u>	<u>Difference</u>
<u>Appropriate</u>			
Public Health Central Office - Disease Control			
Permanent Salaries - Misc.	\$48,196	\$34,410	\$13,786
Public Health Central Office - Health Centers			
Permanent Salaries - Misc.	48,196	34,410	13,786
CMHS			
Permanent Salaries	62,678	42,548	20,130

Appropriate

SFGH			
Permanent Salaries - Misc.	<u>31,339</u>	<u>21,274</u>	<u>10,065</u>
Total Appropriation	\$190,409	\$132,642	\$57,767

Rescind

Public Health Central Office - Disease Control			
Permanent Salaries - Misc.	\$48,196	\$38,875	\$9,321
Public Health Central Office - Health Centers			
Permanent Salaries - Misc.	48,196	48,196	0
CMHS			
Permanent Salaries - Nurses	66,721	66,721	0
Mandatory Fringe Benefits	920	920	0
SFGH			
Permanent Salaries - Nurses	33,361	23,296	10,065
Mandatory Fringe Benefits	<u>460</u>	<u>460</u>	<u>0</u>
Total Amount to be Rescinded	\$197,854	\$178,468	\$19,386

Unappropriated and Place in General

<u>Fund - General Reserve</u>	\$7,445	\$45,826	\$38,381
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4. As noted earlier, the seven positions to be added would be funded by a reappropriation of previously budgeted funds. No new money is requested, and \$45,826 would be returned to the General Fund.

**Recommendation:** Amend the proposed legislation to reduce the supplemental appropriation by \$57,767 from \$190,409 to \$132,642, reduce the amount to be rescinded by \$19,386 from \$197,854 to \$178,468, and increase the amount to be unappropriated and placed in the General Fund - General Reserve by \$38,381 from \$7,445 to \$45,826, and approve as amended.



Item 6 - File 97-89-31

**Note:** This item was continued from the September 27, 1989 Finance Committee meeting.

1. This is a hearing to consider policy setting, administration and budgeting of the Narcotics Forfeiture and Asset Seizure Fund.

2. The Narcotics Forfeiture and Asset Seizure Fund (Fund) was created in 1986. Between August, 1986 and April, 1987, the Fund was administered by the Police Department as a contingency fund under the control of the Chief of Police and the Mayor. Since April, 1987, the fund has been administered by the City's Controller and Treasurer. Under the current arrangements, the Controller's Office provides quarterly reports on the Fund to the Board of Supervisors. The Attachment contains the Controller's most recent quarterly report, for the fiscal period ending September 30, 1989.

2. According to Lieutenant John Robinson of the Police Department, the four Deputy Chiefs within the Police Department currently comprise the Narcotics Forfeiture Fund Committee within the Police Department. This Committee reviews the requests for appropriations from the Fund and makes recommendations to the Chief of Police. All appropriations less than \$10,000 require the Mayor's approval. All appropriations greater than \$10,000 require approval of the Mayor and the Board of Supervisors.

3. In general, the Fund has been used for purposes related to drug education and prevention and to finance non-personnel expenses of the Department's Narcotics Task Force.

4. At the July 12, 1989 Finance Committee meeting, the Finance Committee requested that the Mayor's Office of Criminal Justice Planning (MCJC) suggest policies and procedures for use of the Narcotics Forfeiture Fund. According to Ms. Pamela Sweeney of MCJC, the Executive Committee of MCJC met during the last week of July, 1989 and created an ad hoc committee to develop the necessary policies and procedures for the use of the Narcotics Forfeiture Fund. The MCJC ad hoc committee consisted of Supervisor Hallinan, representatives from all of the City's Criminal Justice Departments (i.e., Sheriff, Adult Probation, Police, District Attorney, Public Defender, etc.) as well as selected community representatives.

5. According to Mr. Jim Buick of MCJC, the ad hoc committee's recommendations were forwarded and approved by the Executive Committee of MCJC on November 2, 1989. The MCJC's funding and policy recommendations for the Narcotics Forfeiture and Asset Seizure Fund are as follows:

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### Funding Recommendations

- \$12,000 be approved for the 1989-90 lease for confiscated vehicle storage space at Hunter's Point Naval Shipyard.
- \$25,000 be approved for the continuation of the Police Athletic League's Oceanview Playground for the period March 1, 1990 through June 30, 1990.
- \$40,000 be approved for the Police Athletic League's Boxing Program.

### Policy Recommendations

- An annual review of all funding requests should be conducted in approximately April of each year, so as to coordinate the City's Narcotics Forfeiture Fund funding decisions with the City's General Fund budget decisions.
- Programs that require continuous funding, as opposed to one-time funding, should be funded on a diminishing annual basis and should receive no more than three years of funding from the Narcotics Forfeiture Fund. For example, a program should receive 100 percent funding during the first year, 85 percent during the second year and 50 percent funding during the third year. If programs need to receive ongoing funding after three years, consideration should be given to including these programs within the City's General Fund budget.

### Comments

1. The Budget Analyst notes that the MCJC's recommended \$12,000 for the Police Department's lease for storage space for confiscated vehicles at Hunter's Point has already been approved by the Board of Supervisors (File 101-89-22).

2. As indicated in the Attachment, as of September 30, 1989, the Controller reported an unappropriated revenue balance of \$124,047 for the Police and \$73,664 for the Airport for a total unappropriated revenue balance of \$197,711 in the Narcotics Forfeiture and Asset Seizure Fund. According to Lieutenant John Robinson of the Police Department, as of October 12, 1989, the Police reports an unappropriated balance of \$151,699 in the Narcotics Forfeiture and Asset Seizure Fund. According to Lilly Avendano, Chief Accountant at the Airport, the current unappropriated balance in the Narcotics Forfeiture Fund for the Airport is \$73,664, as reported in the last Controller's report. Therefore, the current total unappropriated balance in the Narcotics Forfeiture and Asset Seizure Fund is \$225,363.



STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR FISCAL PERIOD ENDING SEPTEMBER 30, 1989

Attachment

FINANCING SOURCES:

Receipts from Federal Agency:	POLICE	AIRPORT	DISTRICT ATTORNEY	TOTAL
From inception of fund to 6/30/89	2,123,870	1,722,820		3,846,690
Received during the 1st qtr. ending 9/30/89	<u>17,798</u>	<u>17,798</u>		<u>35,596</u>
Total amount received from Federal to date	2,141,668	1,740,618	0	3,882,286
Receipts from State Agency:				
From inception of fund to 6/30/89	135,405			135,405
Received during the 1st qtr. ending 9/30/89	<u>48,341</u>			<u>48,341</u>
Total amount received from State to date	183,746	0	0	183,746
Others:				
Court Judgments			64,361	64,361
Revenue Transfer-in from Airport	<u>649,502</u>			<u>649,502</u>
Total Financing Sources	<u>2,974,916</u>	<u>1,740,618</u>	<u>64,361</u>	<u>4,779,895</u>

APPLICATIONS/USES:

Total Appropriation Approved	2,850,869	1,666,954	64,361	4,582,184
Expended to date	<u>1,913,977</u>	<u>681,077</u>	<u>62,084</u>	<u>2,657,138</u>
Outstanding encumbrances	144,737	20,468	0	165,205
Others:				
Revenue transfer-out to Police Department		649,502		649,502
Total amount expended/encumbered/transferred	<u>2,058,714</u>	<u>1,351,047</u>	<u>62,084</u>	<u>3,471,845</u>
Remaining unencumbered appropriation	792,155	315,907	2,277	1,110,339
Unappropriated revenue	<u>124,047</u>	<u>73,664</u>	<u>0</u>	<u>197,711</u>

FU/LH

TO: Julian Rhine  
cc: Dave Fong  
John Guthrie  
Eva Bruce  
Bob Parmelee

applications/uses/call



Item 7 - File 97-89-52

**Department:** Retirement System

**Item:** Ordinance amending Administrative Code Section 16.6-29 to add organizations onto the membership list of the Employees Retirement System.

**Description:** The proposed ordinance would amend Administrative Code Section 16.6-29 to add the Employee Benefit Research Institute (EBRI) and the Insurance Education Association (IEA) onto the membership list of organizations to which the Employees Retirement System belongs.

Currently, the Retirement System is authorized to be a member of the following organizations as listed in Administrative Code Section 16.6-29:

California Association of Public Retirement Systems  
Council of Institutional Investors  
Council of Self-Insured Public Agencies  
Government Finance Officers' Association  
Industrial Claims Association  
Institute of Charter Financial Analysts  
International Foundation of Employee Benefit Plans, Inc.  
National Conference on Public Employees Retirement Systems  
Security Analysts of San Francisco  
The California Self-Insurers Association  
Western Pension Conference

According to the Employees Retirement System, memberships are maintained in these various professional organizations in order to gain access to information compiled by these organizations that would assist the Retirement System in performing its responsibilities.

The two organizations proposed to be added to the membership list, the EBRI and the IEA, are professional associations that provide information on employee retirement benefits and workers compensation claims and benefits payments, industry trends, and changes in laws related to workers compensation.

**Comments:** Approval of the proposed amendment to the Administrative Code would only authorize the Retirement System to become a member of the two organizations, and would not authorize any expenditure of additional funds. Membership to the Employee Benefits Research Institute would cost \$29 per year, and would be an added cost to the City's Retirement

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Trust. Membership to the Insurance Education Association would cost \$500 per year and would be an added cost to the City's Workers Compensation Program administration which is funded by the General Fund. If the ordinance is approved, the Retirement System plans to include the proposed membership costs amounting to an additional \$529 in their 1990-91 budget request.

**Recommendation:** Approval of this proposed ordinance that would amend the Administrative Code to add two additional organizations to the organization membership list of the Employees Retirement System is a policy matter for the Board of Supervisors.



Item 8 - File 101-89-54

**Department:** Controller

**Item:** The proposed ordinance would amend the Annual Appropriation Ordinance for 1989-90 to appropriate State and Federal Disaster Funds and authorize the Controller to transfer funds to the City department that initially incurred the expense.

**Description:** In response to the October 17, 1989 earthquake, the Controller instructed City departments to expend already appropriated fiscal year 1989-90 funds to cover any earthquake related costs, such as overtime pay and emergency contracts. According to the Federal Emergency Management Administration (FEMA) regulations, the City must first expend its own funds and then apply for reimbursement. The Controller's Office reports that the City and County may file only one disaster relief claim covering the costs incurred by many City departments. Without the proposed legislation, when the Federal and State funds for reimbursement for the earthquake are received, the Controller would be required to request that the Board of Supervisors approve numerous supplemental appropriation requests to reimburse each of the departments that expended funds for the earthquake.

The proposed amendment would delegate the Controller with the authority to transfer the necessary funds to adjust various fund balances and departmental appropriations to reflect any amounts recovered from the disaster relief agencies. The proposed legislation would not require that separate supplemental appropriation requests to distribute the funds be brought before the Board of Supervisors for review and approval. The proposed amendment would also allow the Controller to credit disaster recoveries to the appropriate departments directly.

**Comments:** 1. According to Mr. Dave Fong of the Controller's Office, the proposed legislation does not authorize additional spending for City departments, other than that incurred as a result of the earthquake. The proposed legislation would allow departments to replace currently budgeted fiscal year 1989-90 funds that were previously expended for earthquake disaster relief. This reimbursement of funds may result in the total amount of funds provided to an individual department to be greater than the amount initially budgeted for FY 1989-90.

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2. Mr. Fong also reports that if the Federal and State disaster relief agencies reimburse the City for already appropriated department funds, such as for regular salaried employees that participated in the emergency relief efforts, such reimbursed regular salary funds would be credited to the General Fund.

3. The proposed ordinance would authorize the Controller to administratively transfer reimbursed Federal and State funds for City earthquake expenditures rather than using the appropriation process to authorize such reimbursements. While the proposed transfer procedure would result in a time and administrative savings, the proposed administrative transfer process would eliminate one aspect of the Board of Supervisors review and control over such expenditures since the funds would not be appropriated by the Board of Supervisors. The Budget Analyst therefore recommends that, if the proposed legislation is approved, the Controller should provide to the Board of Supervisors a complete accounting of all costs and expenditures by City Department and Fund, including an explanation of each expenditure, and all revenues received from each disaster relief agency that are used to reimburse such City expenditures. Any shortfall of earthquake reimbursement monies or surpluses to any Fund which may result should be noted.

**Recommendation:** The proposed legislation to amend the Annual Appropriation Ordinance and to authorize the Controller to transfer funds to City departments without prior review and approval by the Board of Supervisors is a policy matter. If the proposed ordinance is approved, the ordinance should be amended to require that the Controller provide a detailed report to the Board of Supervisors concerning all costs and revenue reimbursements to the City.

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Item 9 - File 101-87-13.7

**Department:** Fire Department

**Proposed Action:** Release of reserved funds previously approved for capital improvement projects. The funds were reserved pending submission of detailed cost estimates for the purchase and installation of high pressure water systems.

**Amount:** \$1,019,375

**Source of Funds:** 1986 Fire Protection Bond (Proposition A) funds

**Description:** 1. In November, 1986, City voters approved the issuance of Fire Protection System Improvement Bonds (Proposition A). Funds from the bond sale in the amount of \$46,200,000 are to be used for the improvement of the City's fire protection system.

2. In September, 1987, the Board of Supervisors approved the Fire Department's \$29,364,300 supplemental appropriation from the 1986 bond funds for capital improvement projects (File 101-87-13) and placed on reserve \$14,092,300 for the purchase and installation of high pressure water system parts pending submission of the detailed cost estimates.

The Fire Department is now requesting release of \$1,019,375 of the \$14,092,300 in reserved funds for the high pressure water system purchase costs, as provided by the Department of Public Works (DPW), as follows:

Contract for Valve Actuators, Controllers and Related Equipment	\$832,000
Sales Tax	<u>56,160</u>
Subtotal	\$888,160

Contingency of 10%	<u>88,816</u>
Total	\$976,976

The valve actuators controllers and related equipment include control valves that will allow the Fire Department to open and close the valves in the high pressure water system from a remote position. This will allow the Fire Department to isolate and contain leaks in the high pressure system quickly.

**Comments:** 1. According to DPW, seven firms were invited to bid for the purchase contract and three bids were received. The three bids received for the purchase contract are as follows:

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<u>Firm</u>	<u>Preference</u>	<u>Total Bid</u>
Limatorque Corporation	None	\$1,019,375 *
Engineered Process Controls Co., Inc.	None	1,392,283
Etex, Inc.	None	1,222,065

\*Low Bid

The lowest bidder was Limatorque Corporation, which is not a local, minority or woman business enterprise. Limatorque Corporation's affirmative action hiring plan has been approved by the Human Rights Commission.

2. Assistant Chief Frank Blackburn reports that the initial three bids received for this equipment were rejected as non-responsive. After this occurred, the Purchasing Department altered the bid specifications in regard to the scheduled delivery date of the equipment and readvertised the bid. All three original contractors (Limatorque, Engineered Process Controls and Etex) resubmitted bids and the resulting low bid of \$976,976 submitted by Limatorque Corporation was \$42,399 less than this firm's original low bid.

3. The proposed release of reserved funds in the amount of \$1,019,375 reflects the original bid submitted by Limatorque Corporation and not the revised bid of \$976,976. The requested release of reserved funds should be decreased by \$42,399 from \$1,019,375 to \$976,976.

**Recommendation:** Release \$976,976 of reserved funds. Continue to reserve \$42,399.

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Item 10 - File 101-88-118.2

**Department:** Parking Authority

**Proposed Action:** Release of reserved funds previously approved for the California Street Parking Project. The funds were reserved pending agreement of the property owner to sell the California Street property or pending the outcome of any legal proceedings regarding the acquisition of the property.

**Amount:** \$2,600,000

**Source of Funds:** Off-Street Parking Fund

**Description:** On May 22, 1989, the Board of Supervisors approved a supplemental appropriation of \$3,500,000 for the acquisition of 2444-2470 California Street for the development of an off-street surface parking facility (File 101-88-118). Of the \$3,500,000 appropriated, \$50,000 was released to conduct core soil samplings and toxic testing on the site, and \$3,450,000 was reserved pending the agreement of the California Street property owner to sell the property to the City or pending the outcome of any condemnation proceedings required to acquire the property by eminent domain.

In January, 1988, the Real Estate Department had presented to the property owner an offer of \$2,600,000 to purchase the two California Street parcels. The offer was rejected. Although the Real Estate Department reports that the owner's appraisal was not significantly different than the City's appraisal and offer, the owner does not wish to sell the two parcels to the Parking Authority without receiving additional severance damage fees. The property which the Parking Authority is interested in purchasing is only two of seven contiguous parcels which the property owner has considered developing as a single, mixed-used project.

The Real Estate Department has indicated that the only way the Parking Authority may be able to obtain the California Street property would be through eminent domain proceedings. The Parking Authority held a special hearing on October 6, 1989 to consider acquisition of the property by eminent domain. According to the City Attorney's Office, the Parking Authority has statutory authority under State law to find and declare the need for eminent domain. Based on the findings of this hearing, the Parking Authority unanimously approved a resolution of public interest and necessity to acquire the property through eminent domain, and a second resolution requesting the City Attorney to seek an order of immediate possession. If the Court grants the order of

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immediate possession, the Parking Authority would begin demolition and construction of the proposed parking lot before the Court has determined the amount payable to the property owner.

At the Parking Authority's request, the City Attorney has begun the legal proceedings. The Parking Authority is now requesting a release of \$2,600,000 of the \$3,450,000 in reserved funds to deposit with the Court. According to the City Attorney's Office, the Court requires a deposit in the amount of the probable compensation (\$2,600,000) before immediate possession can be ordered.

The property is located at 2444-2470 California Street (Lots 9 and 9A in Assessor's Block 635), which is situated on the north side of California Street, between Fillmore and Steiner Streets. The proposed parking facility would be a 60-space metered surface parking lot to be operated by the Parking Authority. The site contains approximately 18,658 square feet and currently contains an open lot and a two-story auto repair garage which would be demolished if the proposed parking facility is developed.

The Board of Supervisors has also previously adopted by resolution (File 101-88-118.1) the Final Negative Declaration which finds and determines that the proposed acquisition of the site at 2444-2470 California Street for the purpose of constructing an off-street surface parking facility will have no significant impact on the environment.

**Comments:**

1. According to a 1986 Neighborhood Parking Plan prepared by the Department of City Planning, the Upper Fillmore Neighborhood Commercial District, in which the proposed surface parking lot is to be located, was identified as the sixth highest priority neighborhood area in terms of its severity of parking need. According to Mr. Kevin Hagerty of the Parking Authority, the immediate need is for a surface parking lot for the California Street site. However, if the parking demands in this area increase, a parking garage could be built on this site to accommodate additional parking spaces in the future, which would require additional revenues.

2. The estimated annual net revenues from the proposed California Street parking lot is approximately \$28,000 annually. Based on total funds approved for acquisition and development costs of \$3,500,000 and estimated annual revenues of approximately \$28,000, the purchase and preparation costs for the California Street property would be paid back within 125 years. However, the main purpose of this project is to create additional parking in the Upper

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Fillmore area, not specifically to generate revenues, and the Parking Authority reports that this property is the only available site in the area where a parking lot could be developed.

3. As noted earlier, during eminent domain proceedings, the Court determines the amount that the Parking Authority pays to the property owner for the property. According to Mr. Phil Chin of the Parking Authority, if the Court determines an amount higher than the \$2,600,000 requested to be released, the Parking Authority anticipates that the balance would be funded from the Off-Street Parking Fund, which has a balance of \$5,791,745 as of November 22, 1989.

4. Mr. Chin indicates that proceeding by a court order of immediate possession would allow the demolition and construction to begin in a timely manner, and would hasten the completion of a parking facility to benefit the Upper Fillmore neighborhood merchants and customers.

**Recommendation:** Approve the requested release of reserved funds.



Item 11 - File 101-89-48

1. This is a hearing to discuss the need for appropriations for emergency earthquake relief and services.

2. The Mayor's October 23, 1989 report to the Board of Supervisors indicated that as a result of the October 17, 1989 earthquake, the City's "public sector costs could be \$750 million", including between \$13 and \$15 million for all staffing costs during the first days of the emergency, \$61 million at the Port, \$20 million at the Asian Art Museum and Fine Arts Museum, \$17 million for the Health Department, \$7 million at the Airport and \$84 million estimated by the Department of Public Works for sewers, streets, sidewalks and signals. The Mayor reports private sector costs could be between \$1.5 billion and \$2.5 billion. Overall, the Mayor reports that the costs of the earthquake will be in excess of \$2.2 billion. As of November 20, 1989, the City's 1989-90 Emergency Reserve Fund was \$4,862,322 and the General Fund General Reserve Fund was \$13,002,956.

3. In response to inquiries by the Budget Analyst, Dave Fong of the Controller's Office reports that the total costs to the City as a result of the earthquake of October 17, 1989 have not been fully identified. City departments have been instructed to use already appropriated funds to cover earthquake related costs, such as overtime pay and emergency contracts. Given the current emergency situation, Mr. Fong reports that if departments do not have sufficient funds, the Controller can authorize the transfer of funds from any legally available source of funds to cover the incurred expenditures. According to the Federal Emergency Management Administration (FEMA) regulations, the City must first expend its own funds and then apply for reimbursement.

4. The Controller issued three memos to all City departments requesting specific information regarding detailed accounting of all costs incurred in response to the earthquake. As of the writing of this report, that information has not been provided to the Controller's Office. Mr. Fong reports that on November 6, 1989, the Controller received the payroll cost information regarding the direct labor and overtime expenses incurred by each City department during the two-week payroll period between October 16 and 27, 1989. This report indicates overtime expenses of \$4,458,493 during the two-week period. This is in contrast to an average overtime cost of less than \$2 million for each payroll period during the 1989 calendar year, or an increase of more than approximately \$2.5 million in overtime costs, as a result of the earthquake.



5. According to Mr. Fong, the State has allocated an initial \$3 million to San Francisco for the immediate response public activities incurred by the City and County of San Francisco, the Unified School District, the Redevelopment Agency and the Housing Authority. Mr. Fong reports that FEMA is authorized to allocate another \$15 million to San Francisco after the City's Damage Survey Report is completed and validated by FEMA. Under the current Federal and State regulations, 75 percent of the City's "eligible" costs would be reimbursable by FEMA and the State would provide the remaining 25 percent of the funds not reimbursed by FEMA. Mr. Fong notes that the costs that would be "eligible" for such reimbursement have not been determined.



Items 12 through 18 - Files Various

The proposed ordinances and resolutions authorizing settlements of litigation are legal matters under the responsibility of the City Attorney's Office. The Budget Analyst does not normally review and report on such items.



Item 19 - File 161-89-7

**Department:** San Francisco Redevelopment Agency (SFRA)

**Item:** Resolution approving an amendment to the San Francisco Redevelopment Agency's FY 1989-90 budget.

**Amount:** \$1,400,000

**Source of Funds:** Surplus SFRA Bond Proceeds

**Description:** The Delancey Street Foundation project located at 600 Embarcadero is within the SFRA's Rincon Point-South Beach Redevelopment Project Area. The Delancey Street Foundation project consists of a 177-unit residential and 65,000 square foot commercial development. All of the 177 residential units are proposed to be below-market rent units.

The proposed resolution would approve an amendment to increase the SFRA's 1989-90 budget by \$1.4 million in order to alleviate a projected financial shortfall for the Delancey Street Foundation project. The Board of Supervisors approved the SFRA's fiscal year 1989-90 budget in June, 1989 (Resolution No. 498-89).

According to the proposed legislation, if the \$1.4 million increase in budgeted funds is not expended during fiscal year 1989-90, the unexpended portion can be expended by the SFRA in future years for the Delancey Street Foundation.

**Comments:** 1. According to Mr. Bob Gamble of the Redevelopment Agency, the Delancey Street Foundations' financial shortfall resulted because of significant changes in the commercial rental market and corresponding incorrect projections on their commercial rent. The Delancey Street Foundation's appraisal projected commercial rents at approximately \$24 per square foot per year. Current estimates for net commercial rents are approximately \$12 per square foot per year, or approximately 50 percent less than was initially projected. Based on a total of 65,000 square feet of commercial space, this loss of rental income could result in approximately a \$780,000 loss of annual commercial rental income for the project. The proposed \$1.4 million amendment to the SFRA budget was a negotiated one-time amount, which would be disbursed by the SFRA over a period of three years.

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2. Mr. Gamble reports that the proposed amendment to the budget would be used to alleviate the Delancey Street Foundation's projected financial shortfall and therefore protect against the loss of 177 below-market residential units in the City. All of the Delancey Street Foundation's 177 below-market residential units are proposed to be inhabited by Delancey Street clients. It is anticipated that no rent would be collected from their clients.

3. The SFRA would provide the proposed \$1.4 million as a start-up subsidy to the project, in order to maintain the project's financial stability. The SFRA anticipates disbursing the \$1.4 million to the Delancey Street Foundation over a period of three years. According to Mr. Gamble, the amount required by the Delancey Street Foundation is anticipated to diminish over the three-year period, as the Rincon Point-South Beach area continues to develop and commercial rents increase.

4. According to Mr. Frank Cannizzaro of the Redevelopment Agency, the Delancey Street Foundation project is located on a parcel of land within the Rincon Point- South Beach Redevelopment Project Area that is owned by the Port of San Francisco. The SFRA leases this land from the Port and the SFRA has entered into a separate land lease with the Delancey Street Foundation for the parcel of land. Mr. Cannizzaro reports that the Delancey Street Foundation and SFRA lease requires that the Delancey Street Foundation pay the SFRA \$245,000 per year, plus a Consumer Price Index cost of living factor. The proposed legislation would not change the provisions of the annual lease payments.

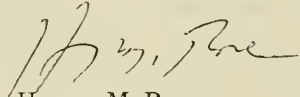
5. The SFRA's proposed additional \$1.4 million would be available from surplus SFRA bond proceeds from the SFRA's recent sale of tax increment bonds. In June, 1989, the Board of Supervisors approved the issuance of \$39.5 million of SFRA bonds to finance SFRA activities in fiscal year 1989-90 (File 161-89-2). According to Mr. Gamble, a total of \$35 million of bond proceeds had been authorized for expenditure by the SFRA. However, a total of \$39.5 million of bonds were sold, resulting in surplus proceeds totalling \$4.5 million. If the proposed \$1.4 million amendment to the budget is approved, it would result in a remaining total of \$3.1 million of SFRA surplus bond proceeds. An additional \$463,135 from these surplus proceeds have been proposed for use in the 1990 Community Development Program.

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**Recommendation:**

The proposed resolution to increase the SFRA's 1989-90 budget by \$1.4 million for the Delancey Street Foundation is a policy matter for the Board of Supervisors.

  
Harvey M. Rose

cc: Supervisor Walker  
Supervisor Ward  
Supervisor Hallinan  
President Britt  
Supervisor Alioto  
Supervisor Gonzalez  
Supervisor Hongisto  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Nelder  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Carol Wilkins  
Stacy Becker  
Ted Lakey



SF  
\$90.25  
+ 2  
2/6/89  
C2

Actions  
Taken

CALENDAR  
MEETING OF  
FINANCE COMMITTEE

DOCUMENTS

DEC 11 1989

SAN FRANCISCO  
CITY AND COUNTY

Board of Supervisors

City and County of San Francisco

WEDNESDAY, DECEMBER 6, 1989 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN

ABSENT: SUPERVISOR WALKER

CLERK: GREG HOBSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

1. File 28-89-20. [Airport Administration] Resolution approving declaration of emergency, San Francisco International Airport emergency earthquake repair work - terminals, Airport Contract No. 2263. Construction Budget - \$5,000,000. (Airport Commission)

ACTION: RECOMMENDED.

2. File 101-89-58. [Government Funding] Ordinance appropriating \$466,005, Airport Commission, for overtime, professional and special services and materials and supplies; providing for ratification of action previously taken. (Controller) RO #9149

ACTION: RECOMMENDED.

3. File 28-89-21. [Emergency Work] Resolution authorizing the Director of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to restore the integrity of the sewer at the crossing of Highway 101 at Joy Street. (Dept. Public Works)

ACTION: RECOMMENDED.

4. File 101-89-21.1. Requesting release of reserved funds, Department of Public Works, in the amount of \$739,000 for ineligible costs to repair damaged streets not reimbursed by the Federal Highway Administration (FHWA). (Dept. Public Works)

ACTION: RELEASE OF \$739,000 APPROVED. FILED.

5. File 97-89-55. [Adopt-A-Tree-Fund] Ordinance amending the San Francisco Administrative Code by amending Section 10.117-77 thereto, establishing an Adopt-A-Tree Special Fund for the receipt of monies for the planting and maintenance of trees under the jurisdiction of the Department of Public Works, by permitting the Department to spend the money in the funds, consistent with the purposes of the fund, without the need to seek additional approvals. (Dept. Public Works)

ACTION: AMENDED. RECOMMENDED AS AMENDED. On Page 2, add a subsection (f) to read: Quarterly Reports to Board of Supervisors. The Department of Public Works shall submit to the Board of Supervisors on a quarterly basis a written report of revenues to and expenditures from the Adopt-A-Tree Special Fund."

6. File 101-89-56. [Government Funding] Ordinance appropriating \$133,626, City Planning, for permanent salaries, temporary salaries and related mandatory fringe benefits, overtime, other contractual services, court reporter transcripts, telephone, office supplies, minor furnishing, furniture and services of other departments - Building Repair, for the creation of one (1) position, Classification A009 Deputy Zoning Administrator and deletion of one (1) position, Classification 5283 Planner V - Urban Design. (Controller) RO #9137 (COMPANION TO THE FOLLOWING FILE)

ACTION: RECOMMENDED.

7. File 102-89-21. [Public Employment] Ordinance amending Annual Salary Ordinance 1989-90, Department of City Planning, reflecting the addition of one (1) position and the deletion of one (1) position in the Department of City Planning. (Civil Service Commission) (COMPANION TO THE PRECEDING FILE)

ACTION: RECOMMENDED.

8. File 101-87-36.36. Requesting release of reserved funds in the amount of \$50,000 to conduct seismic evaluations of City Hall, 101 Grove Street, Civic Auditorium, War Memorial and the Opera House. (Chief Administrative Officer)

ACTION: CONTINUED TO JANUARY 3, 1990, MEETING.

9. File 101-89-60. [Government Funding] Ordinance appropriating \$932,184, Municipal Railway, for permanent salaries-miscellaneous and related mandatory fringe benefits, professional medical services, uniforms and services of other departments - Public Health; rescinding \$932,184 from Municipal Railway Stores Revolving Fund, for the creation of thirteen (13) positions. (Controller) RO #9157 (COMPANION TO THE FOLLOWING TWO FILES)

ACTION: FILE 101-89-61 COMBINED HERewith. AMENDMENT OF THE WHOLE PRESENTED IN COMMITTEE. ADOPTED. AMENDED. TO BOARD "WITHOUT RECOMMENDATION." Place a reserve of \$93,000. AMENDED TITLE: "Appropriating \$932,184 for permanent salaries - miscellaneous and related mandatory fringe benefits, professional medical services, uniforms and services of other departments - Public Health, rescinding \$932,184 from Municipal Railway Stores Revolving Fund, for the creation of thirteen (13) positions, Municipal Railway and one (1) position, PUC for fiscal year 1989-90; place \$93,000 on reserve."

10. File 101-89-61. [Government Funding] Ordinance appropriating \$45,138, Public Utilities Commission, for permanent salaries-miscellaneous and related mandatory fringe benefits, and services of other departments - medical service, for the creation of one (1) position. (Controller) RO #9158 (COMPANION TO THE PRECEDING AND FOLLOWING FILE)

ACTION: COMBINED WITH FILE 101-89-60.

11. File 102-89-24. [Public Employment] Ordinance amending Annual Salary Ordinance 1989-90, Municipal Railway, reflecting the addition of thirteen (13) positions (Classifications (1) A013 Drug Testing Program Manager, (1) A014 Drug Testing Program Analyst, (1) 1446 Secretary II and (10) 9139 Transit Supervisors); and one (1) position Classification 1242 Personnel Analyst in the Public Utilities Commission, Bureau of Personnel and Training. (Civil Service Commission) (COMPANION TO THE PRECEDING TWO FILES)

ACTION: TO BOARD "WITHOUT RECOMMENDATION."

CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 552-9292

December 6, 1989

DOCUMENTS DEPT.

TO: Finance Committee  
FROM: Budget Analyst  
SUBJECT: December 6, 1989 Finance Committee Meeting

DEC 8 1989

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Item 1 - File 28-89-20

Department: Airports Commission

Item: Emergency Resolution. Section 6.30 of the Administrative Code states that approval by the Board of Supervisors is to be obtained for emergency expenditures in excess of \$25,000.

Amount: \$5,000,000

Source of Funds: 1983 Series D Airport Revenue Bonds

Description: The Airports Commission has determined that an emergency has occurred involving the North, South, and International Terminal buildings at San Francisco International Airport resulting from damage caused by the earthquake of October 17, 1989. An emergency was declared by the Airports Commission on October 25, 1989. The damage to the terminal buildings, which is being repaired, includes the following repair work:

- 1) Collapse of the ceilings in the terminal buildings.
- 2) Shifts in the walls of the terminal buildings.



- 3) Cracked tiles in the tunnels connecting the garage to the terminal buildings.
- 4) Water damage to carpets due to activation of the sprinkler system.
- 5) Damage to the sprinkler system, light fixtures, heating ducts and support beams in the terminal buildings.
- 6) Shattered glass in both the control tower and the terminal buildings.

**Contract  
Procedure:**

The Airport reports that due to the urgent nature of the required repairs to the North, South, and International Terminal buildings resulting from the recent earthquake, and the inability of Airport Civil Service maintenance staff to accomplish the needed repairs, an expedited contracting procedure was used as is permitted under Section 6.30 of the Administrative Code. Under such authority, competitive bidding procedures, through formalized newspaper advertising, need not be utilized. In addition to the contracts awarded to repair specific damage to the terminal buildings, contracts were also awarded to supervise the overall work in the terminal buildings, conduct structural analysis of the damage to the terminal buildings and evaluate and minimize any danger posed by the release of hazardous materials.

The contracts to repair the damages to the terminal buildings were awarded on a sole source basis to the following firms:

<u>Contractor</u>	<u>Contract</u>	<u>Reason for Award</u>
CICO, Inc.	Oversee construction of interior terminal walls	Immediate availability of contractor
Excel Environmental Inc.	Clean up and prevent release of hazardous materials	Immediate availability of contractor
All American Tile	Replace cracked tile in connecting tunnels	Provided original tile
Galson Technical Services, Inc.	Repair cracks in walls	Immediate availability of contractor
Monroe Schneider Assoc.	Removal of water damaged carpet in United area.	Previously awarded competitively bid contract to replace carpet

**BOARD OF SUPERVISORS**  
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<u>Contractor</u>	<u>Contract</u>	<u>Reason for Award</u>
Sinco Construction Services, Inc.	Installation of safety net in International terminal	Only firm to meet specifications
Walters & Wolf Glass Company	Replace glass in lower and upper control towers	Immediate availability of contractor
Golden Gate Glass & Mirror Company	Replace glass in terminal buildings	Immediate availability of contractor
Automatic Sprinklers	Replace sprinkler heads and repair sprinkler system	Immediate availability of contractor
La Forge & Sons	Repair ceiling in International terminal	Installed original ceiling
Carlos Interiors	Repair ceiling in other terminal buildings	Previous work in terminal buildings
Monarch Electric	Replace damaged light fixtures and brace light fixtures	Previous experience
Columbia Mechanical	Replace and brace heating ducts	Immediate availability of contractor
John Thomas Demolition	Demolition of soffits (support beams)	Immediate availability of contractor
Pimental Drywall	Support work for soffit demolition	Immediate availability of contractor
Spaulding & Spaulding	General Contractor: Overall coordination of repair work, cleanup, painting, etc. in North and South Terminals	Lowest bid of three solicited
Paul Annuzi, Inc.	General Contractor: Overall coordination of repair work, cleanup, painting, etc. in International Terminal	Immediate availability of contractor
Olm Structural Design	Structural analysis and architectural recommendations	Immediate availability of contractor

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**Contract Award and  
Estimated Completion  
Dates:**

	<u>Contract Award Date</u>	<u>Estimated Contract Completion Dates</u>
CICO, Inc.	October 23, 1989	December 15, 1989
Excel Environmental, Inc.	October 27, 1989	December 15, 1989
All American Tile	October 25, 1989	December 15, 1989
Galson Tech. Services, Inc.	October 25, 1989	December 15, 1989
Monroe Schneider Assoc.	October 18, 1989	October 30, 1989
Sinco Construction Services, Inc	October 18, 1989	December 10, 1989
Walters & Wolf Glass Co.	October 18, 1989	December 10, 1989
Golden Gate Glass & Mirror Co.	October 23, 1989	December 10, 1989
Automatic Sprinklers	October 18, 1989	December 4, 1989
La Forge & Sons	October 14, 1989	December 20, 1989
Carlos Interiors	October 24, 1989	December 20, 1989
Monarch Electric	October 24, 1989	December 10, 1989
Columbia Mechanical	October 27, 1989	December 10, 1989
John Thomas Demolition	November 14, 1989	December 10, 1989
Pimental Drywall	November 14, 1989	December 10, 1989
Spaulding & Spaulding	October 24, 1989	January 1, 1990
Paul Annuzi, Inc.	November 15, 1989	December 22, 1989
Olm Structural Design	October 27, 1989	December 10, 1989

**Comments:** 1. The estimated costs of repairs to the terminal buildings are as follows:

<u>Contractor</u>	<u>Amount</u>
CICO, Inc.	\$ 280,000
Excel Environmental, Inc.	235,080
All American Tile	5,740
Galson Technical Services	50,000
Monroe Schneider Assoc.	45,000
Sinco Construction Services, Inc.	314,311
Walters & Wolfe Glass Co.	89,000
Golden Gate Glass & Mirror Co.	120,000
Automatic Sprinkler	250,000
La Forge & Sons	1,000,000
Carlos Interiors	700,000
Monarch Electric	350,000
Columbia Mechanical	250,000
John Thomas Demolition	450,000
Pimental Drywall	100,000
Spaulding & Spaulding	450,000
Paul Annuzi, Inc.	150,000
Olm Structural Design	90,000
Total	\$4,929,131

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**BUDGET ANALYST**



2. Of the firms receiving contracts for the repairs on the airline terminals, the following firms have been certified by the Human Rights Commission as a Minority Business Enterprise (MBE) firm:

<u>Contractor</u>	<u>MBE Status</u>	<u>Amount of Contract</u>
Golden Gate Glass & Mirror, Co.	MBE	\$120,000
Carlos Interiors	MBE	700,000
Monarch Electric	MBE	350,000
Olmm Structural Design	MBE	<u>90,000</u>
Total		\$1,260,000

Of the total \$4,929,131 in emergency contracts awarded to repair the Airport terminal buildings, as noted above, \$1,260,000 or 25.6 percent was awarded to the above-listed MBE firms which have been certified by the Human Rights Commission. Additionally, the Airport reports that one other contract was awarded in the amount of \$450,000 to an MBE firm for emergency repairs made on the Airport terminals. However, the Airport reports that this latter firm, John Thomas Demolition, is not currently certified by the Human Rights Commission as an MBE firm. If that \$450,000 contract is included in the amounts awarded to MBE firms, then MBE firms were awarded contracts totalling \$1,710,000 or 34.7 percent of the total contract awards of \$4,929,131 under this proposed resolution.

3. The Budget Analyst notes that the original list of MBE firms certified by the Human Rights Commission, submitted by the Airport to the Budget Analyst, was incorrect. This report now includes the Airport's revised list of certified MBE firms participating under this proposed emergency resolution for repair work on the Airport terminal buildings.

4. Prior to the October 17, 1989 earthquake, the Airport had determined that the carpet in Boarding Area F in the North Terminal needed to be replaced. That contract of approximately \$700,000 (which is not a part of the proposed resolution) to remove and replace the carpet in Boarding Area F was competitively awarded to a joint venture, Monroe Schneider Assoc. and Consolidation Flooring Services. Since the earthquake resulted in the inadvertent activation of the sprinkler system which caused additional damage to the carpet, a \$45,000 emergency contract (which is a part of this proposed resolution), to immediately remove the damaged carpet, was awarded to Monroe Schneider Assoc. on the condition that the \$45,000, be deducted from the

**BOARD OF SUPERVISORS**  
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prior competitively bid contract of approximately \$700,000 to remove and replace the carpet.

5. As previously noted, the total estimated cost of the repairs to the North, South and International Terminal buildings is \$4,929,131. Mr. Ernie Eavis of the Airport requests that the balance of the funds in the proposed resolution, in the amount of \$70,869 (\$5,000,000 less \$4,929,131), be included as a contingency for any unanticipated costs. The Budget Analyst believes that this request for a contingency amount, approximating 1.4 percent of the total estimated contract costs, is reasonable.

**Recommendation:** Approve the proposed resolution.



Item 2 - File 101-89-58

**Department:** Airports Commission

**Item:** Supplemental Appropriation Ordinance; providing for ratification of action previously taken.

**Amount:** \$466,005

**Source of Funds:** Airport Unreserved Fund Balance

**Description:** The proposed Supplemental Appropriation Ordinance would appropriate Airport funds for operating expenses incurred by the Airport as a result of the October 17, 1989 earthquake.

During the period October 17, 1989 through October 25, 1989, the Airport incurred overtime costs for permanent Airport staff, the provision of professional and special services and the purchase of materials and supplies. The breakdown of these costs is as follows:

**Overtime-Airport Personnel**

Police and Traffic	\$37,463
Custodial	11,908
Maintenance	73,962
Communication	2,344
Various Administrative Staff	16,265
Fringe Benefits	<u>24,127</u>
Subtotal - Overtime	166,069

**Professional and Special Services**

Structural Engineers - Olmm Structural Design	100,000
Air Sampling - Galson Technical Services	53,000
Trestle Repairs - Olmm Structural Design	27,000
Misc. Repairs	15,000
Special Equipment	<u>10,000</u>
Subtotal - Professional and Special Services	205,000

**Materials and Supplies** 94,936

Total Costs	\$466,005
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**Comments:** 1. According to Ms. Dolores McCray of the Airport, the overtime costs were incurred primarily because (a) of the clean-up in the North Terminal due to the earthquake which caused the inadvertent activation of the sprinkler system and because (b) of the need to keep Airport Police at the site of the damaged buildings. The materials and supplies were purchased primarily for the clean-up in the North Terminal.

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2. The professional and special services expenses were incurred because, after the earthquake, the Airport had to contract with a number of firms to assess the damage to the Airport. According to Ms. Helen Lucas of the Airport, the professional and special services expenses in the proposed ordinance were budgeted from operating expenses instead of available bond funds. Ms. Lucas states that bond funds are restricted to be used for capital improvements and could not be used to cover the costs of assessing the damage to the Airport.

3. Ms. McCray states that the Airport will be submitting claims to the Controller's Office concerning the Airport's costs in repairing the damage caused by the earthquake. The claims submitted by the Airport will be incorporated into the one disaster relief claim to be submitted by the City to the Federal Emergency Management Administration (FEMA). The funds being requested in this Supplemental Appropriation Ordinance will be included in the claims submitted by the Airport. If FEMA determines that those costs are eligible for reimbursement, FEMA would pay 75 percent of the cost and the State would pay 25 percent which would then result in a 100% reimbursement of the Airport's costs.

4. The Airport has requested a supplemental appropriation ordinance to pay for these earthquake-related expenditures in lieu of the use of administrative transfers of their existing appropriations. Legislation currently being considered by the Board of Supervisors would delegate the Controller with the authority to administratively reimburse departments for any amounts recovered from the Federal and State disaster relief agencies for earthquake-related expenditures. Under that legislation, separate supplemental appropriation requests to distribute those funds would not need to be brought before the Board of Supervisors for separate approval. As the Federal and State agencies reimburse the City for its earthquake-related expenditures, the Airport will be reimbursed for the eligible expenditures contained in this proposed supplemental appropriation request.

5. The proposed ordinance would ratify actions previously taken because the proposed supplemental funding would reimburse the Airport for Overtime, Professional and Special Services and Material and Supplies costs already incurred.

**Recommendation:** Approve the proposed ordinance.

**BOARD OF SUPERVISORS**  
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Item 3 - File 28-89-21

**Department:** Department of Public Works (DPW)  
Clean Water Program (CWP)

**Item:** Emergency resolution approving the expenditure of funds to repair sewer lines at the crossing of Highway 101 at Joy Street. Section 6.30 of the Administrative Code requires Board of Supervisors approval for emergency expenditures in excess of \$25,000.

**Amount:** \$544,297

**Source of Funds:** Clean Water Program Sewer Repair and Replacement Fund

**Description:** CWP has determined that the sewer line crossing Highway 101 at Joy Street has collapsed causing a blockage of the pipeline. CWP installed, as a temporary measure, an emergency pump to facilitate the flow of sewage around the failed portion of the sewer line.

CWP began design work on June 28, 1989 and included surveys and site inspections by DPW's Bureau of Engineering and Bureau of Streets and Sewer Repair. After exploring the various alternatives for replacing the pipeline, CWP determined that boring another pipeline adjacent to the failed pipeline beneath Highway 101 was the most feasible alternative. Since the repair work requires building another sewer line beneath the Highway 101 freeway at Joy Street, the State must approve the design and issue a permit for the repair work. The State approved the project and issued a permit on September 15, 1989.

Project costs are estimated as follows:

CWP design	\$30,000
DPW Bureau of Engineering	46,500
DPW Traffic Engineering	600
Construction Contract	424,725
Contingency (10 percent)	<u>42,472</u>
Total	\$544,297

In order to complete the project before the rainy season, CWP formally declared an emergency on October 11, 1989 under Section 6.30 of the Administrative Code.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**Contract Procedure:** As permitted by Section 6.30 of the Administrative Code, an expedited contracting procedure was used in which a list of construction contracting firms are contacted in lieu of using formal advertising procedures. CWP solicited construction bids from the firms on the list on September 22, 1989, and three firms, Ranger Pipeline, Darcy & Hardy, and Stacy & Witbeck, each submitted a bid for the repair work. Bids were opened on October 6, 1989. According to Mr. Henry Anderson of CWP, contract bids were solicited with the intent of declaring an emergency, even though CWP did not formally declare an emergency until October 11, 1989. Once the decision to declare an emergency was formally made, CWP selected the lowest bidder, Ranger Pipeline, to perform the required construction work for \$424,725. Ranger Pipeline is not registered as a Minority or Women's Business Enterprise.

**Estimated Contract  
Completion Date:** January 19, 1990

**Comments:**

1. CWP reports that the notice to proceed with construction was issued on October 22, 1989. CWP has allowed 60 working days for completion of the repair work. Based upon the time period furnished by CWP, the construction work should be completed on or around January 19, 1990.
2. Design for this project began on June 28, 1989 and construction commenced October 22, 1989, approximately four months later. Mr. Ramsis Attia of CWP has stated that the long lead time between design and construction was due to the time required to notify the utility companies and to obtain the State's approval and issuance of the permit for the repair work. Although the emergency was not declared until October 11, 1989, CWP proceeded with an expedited contract bidding process on September 22, 1989 and selected the contractor prior to the formal declaration of emergency. However, CWP believes that the project was and continues to be a valid emergency project. DPW has submitted the attached letter explaining why this project is an emergency.



3. The Budget Analyst agrees with the Department that the repair work should be considered an emergency and recommends approval of the resolution. However, the Department formally declared the emergency after the expedited bidding process was used to select the contractor, rather than first declaring the emergency which then results in the use of the expedited bidding procedure. The Budget Analyst therefore suggests that the Department consider a reevaluation of their process for declaring an emergency.

**Recommendation:** Approve the proposed resolution.





December 4, 1989

Sewer Emergency for Rutledge Street  
Sewer Under the James Lick Freeway

Mr. Harvey Rose  
Budget Analyst  
1390 Market Street, Suite 1025  
San Francisco, CA 94102

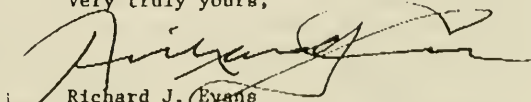
Dear Mr. Rose:

This is with regard to the emergency declared for replacing the sewer under the James Lick freeway from Rutledge Street at Holladay Avenue to Bayshore Boulevard. It was first determined in the middle of June after extensive attempts at clearing what appeared to be a blocked sewer that replacement of the line under the James Lick Freeway in that area would be necessary. At that time, it was recommended that an emergency contract would probably be necessary to complete the work before the onset of the wet-weather season.

The month of July was used evaluating the alternatives, preparing drawings and calculations for approval by the State of California as encroachment permits from CalTrans were necessary. Preliminary drawings and encroachment application were submitted to CalTrans on the first of August. During August, the final design was completed and specifications were prepared to allow competitive bidding under the Department's Class B emergency procedures. Encroachment permits were approved on September 13 and the job was advertised on September 18. The first bid opening was on September 22, and only one bid was received. It was determined that the bid was too high and therefore was rejected. The job was rebid with bid opening scheduled for October 6. On October 6 when bids were opened, it was determined that the low bidder, Ranger Pipe Line, was responsive and should be awarded the contract. Work is presently underway with anticipated completion to be in December prior to the onset of our winter storm season. A temporary pumping operation has been established on the western side of the freeway which has secured private and public property from any damage due to storm flooding in the interim.

If there are any other questions, Mr. Henry Anderson will be pleased to answer them.

Very truly yours,

  
Richard J. Evans  
Director, Department of Public Works



Item 4 - File 101-89-21.1

**Department:** Department of Public Works (DPW)  
**Item:** Request for release of reserve.  
**Amount:** \$739,000  
**Source of Funds:** 1987 Street Repair Bond Fund monies

**Description:** On November 6, 1989, the Board of Supervisors approved a supplemental appropriation of \$12 million in 1987 Street Repair Bond funds, which included \$9,150,569 that was placed in reserve pending an assessment of the damage incurred from the October 17, 1989 earthquake.

According to DPW, under the emergency provisions of Title 23 of the United States Code, the Federal Highway Administration (FHWA) will provide emergency relief funds to repair earthquake damaged streets that are part of the Federal-aid highway system. Therefore, all earthquake-damaged Federal-aid Urban (FAU) streets, within the City, are eligible for 100 percent funding provided that the repair work is completed within six months after the disaster condition ceases, or by April 17, 1990.

FHWA and CalTrans have identified 24 FAU street sites with damage currently estimated at \$4,972,988 that are eligible for for assistance (See Attachment for a list of project sites). In addition to the estimated \$4,972,988 in damages, DPW has estimated that approximately 20 percent more damage, or about \$997,012, may exist below the surface of the roadway. FHWA has indicated to DPW that most of these unforeseen costs, upon documentation, would be reimbursed. DPW has also allowed for \$497,000 in construction costs for repairs normally made when the streets are rebuilt but would not be eligible for reimbursement by FHWA. Therefore, total estimated costs amount to \$6,467,000.

DPW has applied for \$5,728,000 in eligible Federal emergency relief funds from FHWA to repair earthquake damaged FAU streets (See list of projects as attached). FHWA has classified some City labor costs and some work that DPW has deemed necessary as ineligible under FAU funding criteria. Therefore, DPW has requested a release of reserve in the amount of \$739,000 from the 1987 Street Repair Bond Fund monies to cover those costs classified as ineligible by the FHWA. Total construction costs, Title 23 FHWA funding, and the proposed 1987 Street Bond funding are summarized on the following page:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



	<u>Estimated Costs</u>	<u>Eligible Costs to be funded with Title 23 FWHA Relief Funds</u>	<u>Ineligible Costs to be funded with 1987 Street Repair Bond Funds</u>
Estimated Damages	\$4,972,988	\$4,770,988	\$202,000
20% Allowance for below surface unforeseen damages	997,012	957,012	40,000
10% Allowance for ineligible work	<u>497,000</u>	<u>0</u>	<u>497,000</u>
TOTAL	\$6,467,000	\$5,728,000	\$739,000

**Comment:** Mr. Vitaly Troyan of DPW reports that the \$739,000 of ineligible costs include \$242,000 for Bureau of Engineering and Department of Public Works labor and overhead costs and \$497,000 for construction costs for which FHWA will not reimburse the City. The ineligible construction costs result because of the differences in the amount of pavement materials used and damages to City pavement and sidewalks that may have occurred prior to the earthquake.

**Recommendation:** Approve the request for the release of the reserved funds in the amount of \$739,000.



EARTHQUAKE DAMAGE ASSESSMENTRoad Systems  
C1: Streets (FAU)

LINE ITEM No.	FHWA Report No.	SITE	Estimated Damage
C1-25	JH-SF-2	Bay St. (Laguna-Fillmore)	\$ 120,840
C1-26	JH-SF-14	Bush (Franklin-Van Ness)	0
C1-27	JH-SF-15	Bush and Kearny Intersection	0
C1-28	JH-SF-1	Cervantes St. (Marina-Fillmore)	204,129
C1-29	JH-SF-4	Divisadero St. (Chestnut-Marina)	746,691
C1-30	JH-SF-6	Drumm (Sacramento-California)	8,341
C1-31	JH-SF-18	Fell @ Webster	0
C1-32	JM-3-SF	Folsom (13th - 15th)	251,650
C1-33	JH-SF-8	4th @ Intersection of 4th, Bryant, and 480 off ramp)	50,496
C1-34	JM-6-SF	14th (Mission - Harrison)	78,860
C1-35	JH-SF-19	Franklin (Grove - Franklin)	0
C1-36, 38, 40, 43	JM-12-SF	Grove (Polk - Larkin)	233,900
C1-37	JH-SF-16	Geary @ Market, Geary - Kearny Intersection	0
C1-39	JH-SF-3	Marina Blvd. (Baker-Laguna)	873,094
C1-41	JH-SF-17	Montgomery (Post-Sutter)	0
C1-42	JM-11-SF	Mission (3rd - 4th)	7,440
C1-44	JH-SF-5	Taylor (Geary - Post), Post (Taylor - Mason)	* I *
C1-45	JM-8-SF	7th (Mission - Folsom)	854,000
C1-46	JM-14-SF	17th (S Van Ness - Folsom)	40,960
C1-47	JM-4-SF	South Van Ness (13th - 18th)	25,024
C1-48	JH-SF-7	3rd and Howard Intersection	8,234
C1-49	JH-SF-9	3rd @ Bancroft	* I *
C1-50	JM-9-SF	Towsend (6th - 7th)	22,695
C1-51	JM-5-SF	Valencia (50' West of 15th)	4,195
C1-52	JM-15-SF	Van Ness (Fell-Hayes)	0
	JH-SF-10	Chestnut (Baker-Laguna)	108,000
	JM-2-SF	Folsom and Embarcadero Intersec.	19,383
	JM-10-SF	Hyde (Turk-Eddy)	3,180
	JH-SF-11	Laguna (Marina-Lombard)	12,960
	JM-1-SF	Mission (Main-Embarcadero)	227,400
	JH-SF-13	5th (Clara-Bryant)	263,860
	JH-SF-12	6th (Howard - Harrison)	781,656
	JM-13-SF	7th (16th - Townsend)	26,000
TOTAL			\$ 4,972,988**

\* I \* = Ineligible. Line Items C1-44 and C1-49 did not meet the minimum dollar value for damages required by FHWA.

\*\* DPW has applied for \$5,728,000 in Title 23 FHWA funds which consists of the \$4,972,988 in estimated damages, plus \$997,012 in unforeseen damages, minus \$202,000 in ineligible overhead costs related to the estimated damages, minus \$40,000 in ineligible overhead costs related to the unforeseen damages.



Item 5 - File 97-89-55

**Item:** The proposed ordinance would amend Section 10.117-77 of the Administrative Code establishing an Adopt-A-Tree Special Fund, placing the receipt and the expenditure of monies for the planting and maintenance of trees under the jurisdiction of the Department of Public Works consistent with the purposes of the Fund and without the need to seek additional approvals from the Board of Supervisors.

**Description:** The City's Adopt-A-Tree Program was approved by the Board of Supervisors in April of 1988 with the adoption of Ordinance 183-88 (File 202-88). The ordinance established a special fund, entitled Adopt-A-Tree Fund, to accept cash donations and gifts for the sole purpose of planting and maintaining trees under the jurisdiction of the Department of Public Works (DPW). Funds donated to the City by individuals or organizations would be deposited in a separate account to be administered by the DPW's Urban Forestry Division (UFD). UFD would use the donated monies to plant trees, erect a plaque honoring the donor, if appropriate, and maintain the trees until they are well established. The funds would be used exclusively for the purchase of trees and related supplies for planting and maintenance.

The proposed ordinance would delete the requirement that the expenditure of funds be in accordance with the budgetary and fiscal provisions of the Charter, thereby requiring appropriation approval by the Board of Supervisors. The funds would be used for only the intended purposes of the Adopt-A-Tree Program, namely the planting and maintaining of trees under the jurisdiction of the Department of Public Works.

**Comments:** 1. Since the program's inception in April 1988, only one donation has been received by the Fund, a \$5,000 contribution from the India Basin Association for the replacement of damaged, dying and/or missing street trees in the India Basin Industrial Park Area. The Board of Supervisors approved Ordinance 429-89 on November 20, 1989 appropriating the \$5,000 for this purpose.



2. According to Mr. John Roumbanis of the Bureau of Street Cleaning and Urban Forestry, individual gifts for the Adopt-A-Tree Program can be expected to be infrequent and in small contributions of not more than a few hundred dollars. Under these circumstances, the Department of Public Works proposes that expenditures from the Fund be under their jurisdiction as well as under the fiscal requirements of the Controller, without the requirement of separate appropriation approval by the Board of Supervisors.

3. The Bureau of Street Cleaning and Urban Forestry also administers a companion Litter Control Trust Fund which is under the Bureau's direct jurisdiction. According to Mr. Roumbanis, this Fund has also seen little activity since its inception several years ago.

4. According to Mr. Mel Baker of the Urban Forestry Division, information on the Adopt-A-Tree Program will be provided in the DPW's Annual Report, including Fund activity, number of trees planted, locations and information on dedications. Copies of the DPW's Annual Report are provided to the Board of Supervisors.

**Recommendation:** Approval of this proposed ordinance, which would result in the elimination of separate appropriation approval by the Board of Supervisors, is a policy matter for the Board of Supervisors.



Items 6 and 7 - Files 101-89-56 and 102-89-21

**Department:** Department of City Planning

**Proposed Actions:** Supplemental Appropriation Ordinance for permanent salaries, temporary salaries, mandatory fringe benefits, overtime, other contractual services, court reporter transcripts, telephone, office supplies, minor furnishing, furniture, and services of other departments (File 101-89-56).

Annual Salary Ordinance amendment reflecting the addition of one position and the deletion of one position (File 102-89-21).

**Amount:** \$133,626

**Source of Funds:** General Fund - General Reserve

**Description:** The proposed amendment to the 1989-90 Salary Ordinance (File 102-89-21) would add one position and delete one position. The proposed amendment, to be reviewed at a future meeting of the Civil Service Commission, is as follows:

			1989-90 Biweekly <u>Salary</u>	1989-90 Annual <u>Salary</u>
Add	1	A009 Deputy Zoning Administrator	\$2,410-\$2,918	\$62,660-\$75,868
Delete	1	5283 Planner V-Urban Design	2,124-2,582	55,224-67,132

At the top step, the addition of one Deputy Zoning Administrator would cost \$94,577 annually, including mandatory fringe benefits. The difference between the proposed added annual salary and the proposed deleted annual salary would be an increase of \$10,890, including mandatory fringe benefits.

The proposed Supplemental Appropriation Ordinance (File 101-89-56) would appropriate \$133,626 for permanent and temporary salaries, mandatory fringe benefits, and for other various objects of expense as follows:



Permanent Salaries - Misc.	\$5,690
Temporary Salaries - Misc.	81,770
Overtime	28,565
Mandatory Fringe Benefits	1,403
Other Contractual Services	1,105
Court Reporter Transcripts	7,150
Telephone	775
Office Supplies	1,025
Minor Furnishings	1,875
Furniture	2,268
Services of Other Departments-Building Repair	2,000
Total	<u>\$133,626</u>

**Comments:**

1. The Department of City Planning is requesting a supplemental appropriation to eliminate its current case backlogs of approximately three months in building permit processing, approximately nine months in considering discretionary review cases, and approximately one year in investigating violation abatement cases. According to the Department, each of those backlogs is growing.

2. The Department anticipates that the increased funding contained in the proposed supplemental appropriation would provide the resources required to eliminate the caseload backlogs by June 30, 1990, with the exception of the discretionary review backlog, which, according to the Department, would require continued temporary assistance through approximately October, 1990.

3. The \$133,626 would fund six months of planning services, between January 1 and June 30, 1990 as follows:

	<u>Building Permit Processing</u>	<u>Violation Abatement</u>	<u>Discretionary Review</u>	<u>Deputy Zoning Administrator</u>	<u>Total</u>
Perm. Salaries	-	\$1,490	-	\$4,200	\$5,690
Temp. Salaries	\$51,675	14,093	\$16,002	-	81,770
Overtime	27,540	-	1,025	-	28,565
Mandatory Fringe Benefits		1,403		-	1,403
Contractual Service	663	221	221	-	1,105
Transcripts	-	-	7,150	-	7,150
Telephone	465	155	155	-	775
Office Supplies	615	205	205	-	1,025
Minor Furnishing	995	440	440	-	1,875
Furniture	2,268	-	-	-	2,268
Bldg. Repair/Alt.	<u>1,200</u>	<u>400</u>	<u>400</u>	<u>-</u>	<u>2,000</u>
Total	\$85,421	\$18,407	\$25,598	\$4,200	\$133,626

Temp. Staff	2.75	.75	1.0
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**BOARD OF SUPERVISORS**  
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4. The Department of City Planning currently has six positions authorized in the FY 1989-90 budget that are reserved and unfunded. Those positions are as follows:

<u>Title</u>	<u>Classification Number</u>	<u>Number of Positions</u>
Planner I	5277	1 <sup>a</sup>
Planner II	5278	4 <sup>b</sup>
Planner IV- Urban Systems	5296	1 <sup>c</sup>

- a Reserved pending completion of the Budget Analyst's management audit and public hearing on the City's permit process.
- b Two positions reserved pending completion of the Budget Analyst's management audit and two positions reserved for the implementation of the Affordable Housing Program.
- c Reserved for the implementation of the affordable housing program.

According to the Department, none of the funding requested in this proposed amendment would be allocated to funding the above listed reserved and unfunded positions.

5. The Budget Analyst's October 26, 1989, management audit report of the City's permit processing system includes the following recommendations which are directly applicable to the proposed legislation:

We recommend that the Director of Planning:

- Implement the program outlined in his letter of August 31, 1989, to eliminate the backlog of building permit applications.
- Strengthen management in the Implementation Division by implementing the proposed conversion of a Planner V position to that of Deputy Zoning Administrator.

**Recommendation:** Approve the proposed ordinances.

**BOARD OF SUPERVISORS**  
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Item 8 - File 101-87-36.36

**Department:** Chief Administrative Officer (CAO)

**Item:** Request to release reserved funds

**Amount:** \$50,000

**Source of Funds:** Previously appropriated Capital Improvement Project Fund monies that were reserved in FY 1987-88 and have been carried forward to FY 1989-90.

**Description:** During the FY 1987-88 mid-year budget review, the Board of Supervisors reserved \$50,000 of Capital Improvement Project Fund monies for bond program reports. The purpose of these reports is to provide a detailed description of the purpose and cost of the proposed bond issue. According to the Controller's Office, as of December 1, 1989, the bond program report account for Capital Improvement Projects contains a total of \$127,696, including \$50,000 which has been carried forward from FY 1987-88 and \$77,696 in previously appropriated, unencumbered monies. The CAO's Office is now requesting a release of the \$50,000 to conduct detailed seismic evaluations of five buildings - City Hall, 101 Grove Street, Civic Auditorium, War Memorial Building and the Opera House. The seismic evaluations would be used in connection with the preparation of a bond program report. Therefore, the use of \$50,000 for the seismic evaluations would be consistent with the original proposed use of these funds.

The proposed seismic evaluations would be prepared in addition to earthquake damage assessment surveys currently being conducted by the Department of Public Works on the above-cited and other City buildings. The proposed seismic evaluations would be conducted to prepare a bond program report for a General Obligation bond proposal to address seismic safety for these five structures and other City buildings which have not been covered by previous bond issues. The CAO's Office anticipates submitting to the Board of Supervisors the proposed General Obligation bond proposal for placement on the June, 1990 ballot.

The proposed seismic studies would address seismic upgrades to strengthen the buildings against future damage rather than repairs for damages resulting from the earthquake. The CAO proposes to address seismic safety concerns at this time in order to enable DPW to coordinate the proposed upgrades with the repairs and to complete the bond program report in time to place the bond proposal on the June, 1990 ballot.

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The requested release of \$50,000 would be combined with available previously appropriated Capital Improvement Project Funds of \$77,696 for a total of \$127,696 for the preparation of the seismic studies. According to Mr. Norm Karasick, City Architect, the proposed monies would fund contractual services with a total of eight consultants: five structural engineering firms (one for each of the five buildings to be assessed), one cost consultant, one asbestos consultant and one fire and life safety consultant. In addition, the Bureau of Architecture would assess roofing, electrical, mechanical and other maintenance that has been deferred on the five buildings.

Mr. Karasick indicates that the structural engineering contract for the assessment of City Hall would be awarded on a sole-source basis to Forell Elsesser Engineers, the firm currently assessing City Hall for earthquake damage. This contract would be awarded on a sole-source basis due to specialized studies that are required for the building. The other seven consultants have not yet been selected. Mr. Karasick indicates that the hours and estimated costs for the consultants are as follows:

Structural Engineering Firm (1) - City Hall

Principal	\$100/hr. x 80 hrs.	\$8,000	
Structural Engineer	\$80/hr. x 80 hrs.	6,400	
Technician	\$60/hr. x 160 hrs.	9,600	
Clerical	\$30/hr. x 40 hrs.	<u>1,200</u>	
			\$25,200

Structural Engineering Firms (4) - 101 Grove, Civic Auditorium, War Memorial Building, Opera House

Principal	\$100 x 40 hrs.	4,000	
Structural Engineer	\$80 x 200 hrs.	16,000	
Technician	\$60 x 160 hrs.	9,600	
Clerical	\$30 x 64 hrs.	<u>1,920</u>	
			31,520

Asbestos Consultant - all five buildings

Principal	\$65/hr. x 120 hrs.	7,800	
Technician	\$40/hr. x 40 hrs.	1,600	
Clerical	\$30/hr. x 40 hrs.	<u>1,200</u>	
			10,600

Cost Consultant - all five buildings

Principal/Senior Estimator	\$80/hr. x 160 hrs.	12,800	
Staff Estimator	\$60/hr. 160 hrs.	<u>9,600</u>	
			22,400

**BOARD OF SUPERVISORS**  
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<u>Fire and Life Safety Consultant - all five buildings</u>			
Principal	\$80/hr. x 160 hrs.	12,800	
Technician	\$50/hr. x 80 hrs.	4,000	
Clerical	\$30/hr. x 40 hrs.	<u>1,200</u>	18,000
<u>Bureau of Architecture, DPW - Assessment of Deferred Maintenance</u>			
Principal	\$69/hr. x 40 hrs.	2,760	
Architect	\$57/hr. x 160 hrs.	9,120	
Clerical	\$26/hr. x 40 hrs.	<u>1,040</u>	12,920
Contingency (6 percent)			<u>7,056</u>
Total Project Costs			\$127,696

**Comments:**

1. According to Mr. Karasick, the amount of \$127,696 will fund the seismic evaluations only, and not the complete bond program report. Mr. Karasick indicates that the source of funds to complete the bond program report have not yet been identified.

2. As noted earlier, one of the eight consultants will be awarded on a sole-source basis. Mr. Karasick indicates that the contracts with the four structural engineering consultant firms who have not yet been selected, and whose contracts are expected to be less than \$10,000 each, would be selected without a formal request for proposal procedure, in accordance with Administrative Code Chapter 12D. Mr. Karasick indicates that the asbestos consultant, cost consultant and fire and life safety consultant, none of which have yet been selected, would be selected from requests for proposals solicited from a list of qualified consultants.

3. According to Mr. Calvin Malone of City Planning, in order to place a bond issue on the June, 1990 ballot, the bond program report, including the seismic evaluations requested by this item, must be completed and submitted to the City Attorney's Office by January 22, 1990. Mr. Karasick indicates that due to the time constraints, the DPW would like to enter into the contracts as soon as the scopes of work have been finalized and approved by the contractors in approximately two to three weeks. According to Mr. Karasick, the proposed release of reserved funds at this time would allow the DPW to complete the bond program report by January 22, 1990. Mr. Karasick indicates that if the DPW were unable to complete the bond program report by January 22, 1990, the bond issue would be proposed for placement on a ballot subsequent to June, 1990. The next election is scheduled for November, 1990.

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4. As noted earlier, the proposed use of the funds would be consistent with the original intended use. However, the DPW has not yet identified the actual consultant costs, and the minority business and women business enterprise status for the asbestos consultant, the cost consultant and the fire and life safety consultant. DPW estimates that the funding required for these three consultants totals \$51,000 (\$10,600 + \$22,400 + \$18,000), which is greater than the amount of \$50,000 currently on reserve. Therefore, the reserved funds of \$50,000 should continue to be reserved pending submission by DPW to the Finance Committee of additional details regarding the three firms yet to be selected through the request for proposal process.

**Recommendation:** Continue to reserve the \$50,000 pending submission by DPW to the Finance Committee of details regarding the asbestos, cost and fire and life safety consultants' names, actual costs and minority and woman business enterprise status.



Items 9, 10 and 11 - Files 101-89-60, 101-89-61 and 102-89-24

**Departments:** Public Utilities Commission (PUC)  
Municipal Railway (MUNI)

**Items:** \$887,046 Supplemental Appropriation Ordinance (File 101-89-60) to fund permanent salaries, fringe benefits and related operating costs for 13 positions in the MUNI Transportation Division.

\$45,138 Supplemental Appropriation Ordinance (File 101-89-61) to fund permanent salaries, fringe benefits and related operating costs for one position in the PUC Personnel and Training Bureau.

Ordinance to amend the Annual Salary Ordinance (File 102-89-24) to reflect the addition of 13 new positions in the MUNI and one new position in the PUC.

**Amounts:**

MUNI	\$887,046
PUC	<u>45,138</u>
Total	\$932,184

**Source of Funds:** San Francisco Municipal Railway Stores Fund

**Purpose:** Additional personnel and related operational expenses in the MUNI and the PUC to establish a required drug testing program for the MUNI.

**Description:** The Federal Urban Mass Transportation Administration (UMTA) requires that all transit properties receiving Federal financial assistance have a drug testing program by December 21, 1989. The MUNI proposes to meet this requirement by beginning its testing program in December, 1989 and expanding the program during 1990 in order to meet UMTA's required testing level.

Under the UMTA rules and regulations, MUNI employees who work in sensitive safety positions must be tested if they fit within any of the following five categories:

- All new employees.
- Any employee whose supervisor has reasonable cause to believe that the employee is using illicit drugs.
- Any employee involved in an accident where an individual dies or must be taken to a medical treatment facility or where property damage is estimated to be more than \$5,000.

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- Random testing of employees - 25 percent in the first year and an annualized rate of 50 percent of employees by December 1990.
- An employee who wishes to return to duty after failing a drug test.

Safety sensitive positions include platform operators, platform operator trainers, mechanics and supervisors of the above positions.

An employee who fails a drug test must be immediately removed from the work place.

In order to comply with the UMTA rules and regulations regarding drug testing, the PUC and MUNI have developed a program which would phase in the drug testing program during calendar year 1990. The assumptions made by the MUNI are as follows:

- 100% of normal transit service (i.e., no missed routes or schedule).
- Random testing of 10% of employees in the first six months to develop and evaluate the program.
- Testing at a rate of 40% of employees in the second six months to give an annualized testing rate of 25% for 1990.
- Random testing at a testing rate of 50% of employees after 1990.
- 23% of employees will fail the test in the first six months, dropping to 11.6% in FY 1990-91.
- 50% of employees who fail a test will return to duty after 30 days.

Using the above assumptions, the MUNI developed a program to train employees about drug use, expand the program to train more drivers, test the employees, evaluate test results and take appropriate action. The major cost of the program can be attributed to replacing platform operators who fail the drug tests by the use of other employees working overtime or by hiring and training new drivers.

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The estimated total cost of the program for the period December 21, 1989 through June 30, 1990 is \$1,733,629. Approximately \$801,445 from year-to-date surpluses from salary savings would be used for this program leaving a balance to be funded by the proposed Supplemental Appropriation Ordinances of \$932,184 (total cost of \$1,733,629 less \$801,445 from MUNI's excess salary savings).

PUC's estimate of the costs for the proposed drug testing program are shown on the attachment. The costs to be funded by the proposed Supplemental Appropriation Ordinance are summarized as follows:

Proposed Drug Testing Program from December 21, 1989  
through June 30, 1990

	<u>Amount</u>
Permanent Salaries - Misc.	\$286,091
Mandatory Fringe Benefits	87,393
Overtime - Misc.	26,032
Overtime - Craft	137,862
Professional Medical Services	184,280
Uniforms	72,388
Department Public Health (DPH)	
Employee Assistance Program (EAP)	93,000
PUC Personnel Costs	<u>45,138</u>
Total	\$932,184

The \$184,280 for professional medical services is (a) for \$150,000 for the outside consulting services of a Medical Review Officer who would serve under a contract secured through a Request for Proposal (RFP) process, and (b) for \$34,280 for testing and for other related expenses which would be handled through the Regional Transit Authority (RTA) which has an existing contract for such testing services. The PUC expects to select a Medical Review Officer by mid-December.

The \$72,388 is for uniforms for new trainer/supervisors and drivers at an estimated cost of \$507 per uniform per driver and \$900 per uniform per supervisor (estimated 125 replacement platform operators @ \$507 per uniform and 10 trainer/supervisors at \$900 per uniform). The uniforms consist of four pairs of trousers, six shirts, two jackets, two ties, one cap (plus an overcoat and a raincoat for the supervisors), which would be purchased through existing contracts by MUNI.

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The \$93,000 for the DPH's Employee Assistance Program would double the MUNI's existing program for employee counseling based on MUNI's analysis that some employees would seek counselling prior to testing and employees who fail tests would seek counseling. MUNI did not provide information as to how they proposed to spend the \$93,000. Therefore, we recommend reserving this \$93,000 pending submission to the Finance Committee as to proposed new employees in DPH and related costs for the Employee Assistance Program.

The proposed new positions are as follows:

<u>Number/Classification</u>	<u>Biweekly Salary</u>	<u>Annual Salary</u>
1 A013 Drug Testing Pgm. Mgr.	\$2,497	\$64,922
1 A014 Drug Testing Pgm. Analyst	1,973	51,298
1 1446 Secretary II	943-1,141	29,666
10 9139 Transit Supervisors	1,499-1,818	472,680
1 1242 Personnel Analyst (PUC)	1,388 - 1,682	<u>43,732</u>
<u>14</u> Total		\$662,298

The positions of Drug Testing Program Manager and Drug Testing Program Analyst have not been reviewed by the Civil Service Commission. However, Mr. Ed Harrington, Assistant General Manager, PUC Finance Bureau, states that the Civil Service Commission has given the MUNI permission to fill these positions upon approval of the proposed ordinances by the Board of Supervisors.

**Comments:**

1. The MUNI can transfer unused funds from its operating budget into the San Francisco Municipal Railway Stores Fund on July 1 of each year per Administrative Code Section 10.117-65. At the end of FY 1988-89, the MUNI transferred approximately \$2.0 million to the Stores Fund. The MUNI proposes to use a portion of these funds (\$932,184) plus approximately \$801,445 in surplus salary savings funds from the current 1989-90 budget to fund the proposed program in this item for the remainder of FY 1989-90.

2. The UMTA does not provide funding to local transit properties to fund drug testing programs.

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3. UMTA Rule 49 CRF 653 allows UMTA to withhold funding for the MUNI until the MUNI meets the UMTA's standards for drug testing. According to data provided by the PUC Finance Bureau, the MUNI is currently awaiting approval of \$93 million in Federal grant requests, including \$8 million which is contained in MUNI's 1989-90 operating budget. The UMTA could withhold these pending federal grant funds until an acceptable drug testing program was in operation.

4. According to Mr. Harrington, the estimated cost to operate this drug testing program could range from \$3 million to \$5 million annually beginning in fiscal year 1990-91 depending on the results of the proposed testing program.

5. The PUC Finance Bureau estimates that approximately 3,000 MUNI employees would be affected by this program. The MUNI will begin random testing at the rate of ten percent of the staff in December, 1989 and increase to the rate of 50 percent of the staff, as required by UMTA. MUNI estimates that MUNI drivers who are involved in approximately 1,000 accidents annually will be tested and that approximately 200 replacement workers will be tested annually. Estimated drug testing activity for the next 18 months is as follows:

<u>Description</u>	<u>December 22, 1989- June 30, 1990</u>	<u>July 1 1990- Dec. 31, 1990</u>	<u>Jan. 1 1991- June 30, 1991</u>
Accidents	500	500	500
Random Tests	150	600	750
Replacements	<u>100</u>	<u>100</u>	<u>100</u>
Total	750	1,200	1,350

The above numbers do not include an unknown number of tests that would be required for employees who fail the initial test.

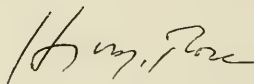
6. Since the Medical Review Officer has not yet been hired, (estimated cost of \$150,000), we recommend reserving this \$150,000 for such outside consulting services of a Medical Review Officer pending submission to the Finance Committee as to the hourly rates, estimated hours and the MBE/WBE allocations. Additionally, the MUNI proposes to contract with a private laboratory for testing through the RTA because it is considered cost effective and the City's hospital labs are not certified by UMTA. The total estimated costs for the professional medical services are as follows:

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Medical Review Officer	\$150,000
Private Laboratory Drug Testing through the RTA (993 tests @ \$34.50 per test)	<u>34,280</u>
Total Estimated Costs for Professional Medical Services	\$184,280

- Recommendation:**
1. Amend the proposed appropriation ordinance (File 101-89-60) by reserving \$243,000, \$150,000 for the outside consulting contract for the Medical Review Officer pending submission to the Finance Committee of the hourly rates, estimated hours and MBE/WBE allocations and \$93,000 for the DPH's Employee Assistance Program pending submission to the Finance Committee of proposed new employees and related costs for this program.
  2. Approve the proposed appropriation Ordinance (File 101-89-60) as amended.
  3. Approve the proposed appropriation ordinance (File 101-89-61).
  4. Approve the proposed amendment to the Annual Salary Ordinance (File 102-89-24).



Harvey M. Rose

cc: Supervisor Walker  
Supervisor Ward  
Supervisor Hallinan  
President Britt  
Supervisor Alioto  
Supervisor Gonzalez  
Supervisor Hongisto  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Nelder  
Clerk of the Board  
Chief Administrative Officer Controller  
Carol Wilkins  
Stacy Becker  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



SUMMARY OF COSTS FOR MUNI DRUG TESTING PROGRAM

	<u>TRANSP.</u>	<u>MAINT.</u>	<u>PROGRAM ADMIN.</u>	<u>TOTAL COSTS</u>
<b>I. <u>Training</u></b>				
A) Training for Staff	\$61,428	\$21,529*		\$82,957
B) Training for Supervisors	76,539	28,023*		<u>104,562</u>
Subtotal				\$187,519
<b>II. <u>Testing</u></b>				
A) Outside Contract for Testing and Medical Review			\$184,280*	184,280
B) Program Administration			90,348*	90,348
C) Fill Behind Labor During Tests	60,777	8,815*		<u>69,592</u>
Subtotal				\$344,220
<b>III. <u>Dealing With Results</u></b>				
A) Overtime due to Vacancies	199,870	118,065*		317,935
B) Train new Employees-Trainees	402,831			402,831
Trainers	270,598*			270,598
C) Materials and Supplies	72,388*			72,388
D) Employee Assistance Program			93,000*	93,000
E) Miscellaneous Personnel Costs	<u>          </u>	<u>          </u>	<u>45,138*</u>	<u>45,138</u>
Subtotal				\$1,201,890
<b>TOTAL:</b>	<b><u>\$1,144,431</u></b>	<b><u>\$176,432</u></b>	<b><u>\$412,766</u></b>	<b><u>\$1,733,629</u></b>

\* Total items to be funded with this supplemental appropriation = \$932,184.



0.25

2/89

Actions  
Taken

CALENDAR  
MEETING OF  
FINANCE COMMITTEE

DOCUMENTS DEPT.

DEC 21 1989

Board of Supervisors

SAN FRANCISCO  
PUBLIC LIBRARY

City and County of San Francisco

WEDNESDAY, DECEMBER 13, 1989 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, WARD, HALLINAN

CLERK: GREG HOBSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

1. File 97-89-12. [Credit Cards] Ordinance amending the San Francisco Administrative Code by adding Section 10.11-1 thereto authorizing officers, boards and commissions of the City and County of San Francisco to accept payments by credit cards. (Supervisor Kennedy)

(Cont'd from 11/29/89)

ACTION: AMENDMENT OF THE WHOLE BEARING SAME TITLE PRESENTED IN COMMITTEE. ADOPTED. AMENDED. RECOMMENDED AS AMENDED. Amend on line 13, to replace "All officers, boards and commissions" to read "The Health Commission"; on line 14 replace "are" with "is"; on line 16 after "County" insert "at San Francisco General Hospital and Laguna Honda Hospital"; on line 18 replace "All officers, boards and commissions" to read "If the Health Commission"; on line 19 replace "who wish" to read "wishes" and on line 21 after "Section" insert "it". AMENDED TITLE: "Amending the San Francisco Administrative Code by adding Section 10.11-1 thereto to authorize the Health Commission of the City and County of San Francisco to accept payments by credit cards at San Francisco General Hospital and Laguna Honda Hospital."

2. File 12-89-24. [Alcohol Tax] Resolution supporting an increase in the Alcoholic Beverage Tax. (Supervisor Kennedy)

(Cont'd from 11/29/89)

ACTION: CONTINUED TO THE CALL OF THE CHAIR.

3. File 127-89-7. [Event Notification] Ordinance amending Part III, Article 3, San Francisco Municipal Code (Revenue/Business Regulations) by adding Section 251.1 thereto to require every person, firm or corporation engaged in the business of renting or letting rooms to notify the Tax Collector of the exhibition and sale of goods, wares and merchandise by a transient merchant as defined in Section 251 of this article. (Supervisor Kennedy)

ACTION: CONTINUED TO THE CALL OF THE CHAIR.

NOTE: THE CHAIR INTENDS TO ENTERTAIN A MOTION TO CONTINUE FILE 106-89-4 TO THE CALL OF THE CHAIR.

4. File 106-89-4. To consider the submission of a plan from Civil Service Commission regarding examination and classification functions. (Supervisor Walker)

(Cont'd from 11/15/89)

ACTION: CONTINUED TO JANUARY 10, 1990, MEETING.

5. File 101-89-57. [Government Funding] Ordinance appropriating \$51,479, Mayor's Office of Housing, (Affordable Housing Action Plan) for permanent salaries and related mandatory fringe benefits and property rental, for the creation of two (2) positions. (Controller) RO #9146 (COMPANION TO THE FOLLOWING FILE)

ACTION: RECOMMENDED. (Supervisor Hallinan dissenting on Assistant to the Mayor III position.)

6. File 102-89-22. [Public Employment] Ordinance amending Annual Salary Ordinance 1989-90, Mayor's Office, reflecting the addition of two (2) positions, Classifications 5410 Intergovernmental Affairs Coordinator and 9786 Assistant to Mayor III. (Civil Service Commission) (COMPANION TO THE PRECEDING FILE)

ACTION: RECOMMENDED. (Supervisor Hallinan dissenting on Assistant to the Mayor III position.)

7. File 7-89-7. [Advertising Transit Shelters] Ordinance approving first amendment to Advertising Transit Shelter Agreement between City and County of San Francisco, through its Public Utilities Commission, and Gannett Outdoor Company, Inc., of Northern California. (Public Utilities Commission) (COMPANION TO THE FOLLOWING FILE)

(Cont'd from 11/15/89)

ACTION: RECOMMENDED.

8. File 97-89-51. [Market Street Art Maintenance Fund; Market Street Art Acquisition Fund; Youth Arts Fund] Ordinance amending the San Francisco Administrative Code by adding Sections 10.117-93, 10.117-94, and 10.117-95 thereto, establishing three (3) special funds: (1) for the receipt of revenue from Transit Shelter Advertising on Market Street for the purpose of maintenance of public art on Market Street; (2) for acquiring public art for Market Street; and (3) for providing programs and other opportunities for the talents and creativity of young artists. (Public Utilities Commission) (COMPANION TO THE PRECEDING FILE)

(Cont'd from 11/15/89)

ACTION: AMENDED. RECOMMENDED AS AMENDED. On Page 1, line 24 replace, "The San Francisco Art Commission, or its designee, shall have the sole discretion to expend monies from the Fund for these purposes." with "The San Francisco Art Commission, or its designee, shall have the discretion to expend monies from the Fund for these purposes, subject to annual budgetary review and approval by the Board of Supervisors." On Page 2, line 26 and Page 3, line 24 make the same amendments.

9. File 101-89-55. [Appropriations] Resolution establishing the appropriations limit for fiscal year 1989-90 pursuant to California Constitution Article XIII B. (Controller)

ACTION: RECOMMENDED.

10. File 278-89-1. [Hetch Hetchy Electric Rates] Resolution making a finding that no tax subsidy will be required by Hetch Hetchy Water and Power by reason of approval of proposed revised schedule of rates to be charged for furnishing Hetch Hetchy power to the municipal departments of the City and County of San Francisco, and six (6) small private customers. (Public Utilities Commission) (COMPANION TO THE FOLLOWING FILE)

ACTION: RECOMMENDED.

11. File 278-89-1.1. [Hetch Hetchy Electric Rates] Resolution disapproving revised schedule of rates for furnishing Hetch Hetchy owner to the municipal departments of the City and County of San Francisco, and to six (6) small private customers. (Public Utilities Commission) (COMPANION TO THE PRECEDING FILE)

ACTION: TO BOARD WITH RECOMMENDATION "DO NOT PASS".

12. File 101-89-21.2. To consider release of reserved funds, Department of Public Works, in the amount of \$3,276,000 for ineligible costs to repair earthquake damaged streets not reimbursed by the Federal Aid Urban (FAU). (Dept. Public Works)

ACTION: RELEASE OF \$3,276,000 APPROVED; FILED.

13. File 53-89-4. [Sewage Treatment Works Construction Financing] Resolution finding and determining that the Mariposa Transport/Storage Facilities Project will protect and preserve the environment and that the use of loan funds is the most cost-effective method of financing the project; authorizing the Director of Public Works to apply for and enter into loan agreements not to exceed approximately \$9 million. (Supervisor Walker)

ACTION: RECOMMENDED.

14. File 53-89-5. [Sewage Treatment Works Construction Financing] Resolution finding and determining that the Oceanside Water Pollution Control Plant Project will protect and preserve the environment and that the use of loan funds is the most cost-effective method of financing the project; authorizing the Director of Public Works to apply for and enter into loan agreements not to exceed approximately \$85 million. (Supervisor Walker)

ACTION: RECOMMENDED.

15. File 101-89-59. [Government Funding] Ordinance appropriating \$167,108, Public Health - Central Office, for permanent salaries-miscellaneous and related mandatory fringe benefits, temporary salaries, medical service contracts, use of employees car, other services, telephone, materials and supplies and services of other departments - miscellaneous departments, for the creation of eight (8) positions (Classifications (1) 2230 Physician Specialist, (1) 2587 Health Worker III, (2) 2920 Medical Social Worker, and (4) 2906 Social Worker Trainee). (Controller) RO # 9150 (COMPANION TO THE FOLLOWING FILE)

ACTION: CONTINUED TO JANUARY 3, 1990, MEETING.

16. File 102-89-23. [Public Employment] Ordinance amending Annual Salary Ordinance 1989-90, Department of Public Health - Central Office, reflecting the addition of eight (8) positions. (Civil Service Commission) (COMPANION TO THE PRECEDING FILE)

ACTION: CONTINUED TO JANUARY 3, 1990, MEETING.

17. File 101-89-65. [Government Funding] Ordinance appropriating \$241,202, Public Health, for permanent salaries-miscellaneous and related mandatory fringe benefits, professional services, data/word processing professional service contracts, training, other services, telephone, materials and supplies and equipment purchase; for the creation of eleven (11) positions and deletion of one (1) position. (Controller) RO #9155 (COMPANION TO THE FOLLOWING FILE)

ACTION: CONTINUED TO JANUARY 3, 1990, MEETING.

18. File 102-89-25. [Public Employment] Ordinance amending Annual Salary Ordinance 1989-90, Department of Public Health, reflecting the addition of fourteen positions (Classifications (1) 1402 Junior Clerk, (1) 1444 Secretary I, (1) 1446 Secretary II, (1) 2218 Physician Assistant, (1) 2230 Physician Specialist, (1) 2232 Sr. Physician Specialist, (1) 2246 Assistant Director of Clinical Services, (2) 2305 Psychiatric Technician, (1) 2593 Health Program Coordinator III, (2) 2930 Psychiatric Social Worker, (1) 2328 Nurse Practitioner, (1) 2328 Nurse Practitioner and deletion of two positions (Classifications (1) Sr. Psychiatric Social Worker and (1) 2328 Nurse Practitioner). (Civil Service Commission). (COMPANION TO THE PRECEDING FILE)

ACTION: CONTINUED TO JANUARY 3, 1990, MEETING.

19. File 101-88-95.4. To consider release of reserved funds, Juvenile Court, (Master Plan/Bond Program Report) in the amount of \$256,220 for the modified contract with Jefferson Company to provide a Master Plan/Bond Program Report and providing for a liaison/resource specialist consultant. (Juvenile Court)

ACTION: CONTINUED TO THE CALL OF THE CHAIR.

20. File 31-89-27. [Employee Replacement] Resolution approving immediate filling of vacated position of 1934 Storekeeper, Port of San Francisco. (Port)

ACTION: AMENDED. RECOMMENDED AS AMENDED. On line 4, replace "Section 21" with "Section 10, Subsection 1".

21. File 31-89-28. [Employee Replacement] Resolution approving the immediate filling of vacated position 7258 Maintenance Machinist Supervisor I, Central Shops, Purchasing Department. (Purchasing Dept.)

ACTION: RECOMMENDED.

22. File 31-89-29. [Employee Replacement] Resolution approving immediate filling of a vacated position of 1881 Assistant Director, Controller's Office - Information Service Division. (Controller)

ACTION: RECOMMENDED.

23. File 97-89-57. [Controller's Quarterly Audit of the Treasurer] Ordinance amending Article I of Chapter 10 of the San Francisco Administrative Code by adding Section 10.6-3, directing the Controller to audit on a quarterly basis the accounts of the Treasurer. (Controller)

ACTION: RECOMMENDED.

24. File 101-89-34.1. To consider release of reserved funds, Public Library, in the amount of \$175,000 for the Bureau of Architecture Project Manager position. (Public Library)

ACTION: CONTINUED TO JANUARY 3, 1990, MEETING.

25. File 101-89-62. [Government Funding] Ordinance appropriating \$40,000, Commission on the Status of Women, for professional and special services. (Controller) RO #9153

ACTION: RECOMMENDED.

26. File 101-89-64. [Government Funding] Ordinance appropriating \$23,150, Police Department, for program project budget (overtime-uniform and materials and supplies. (Controller) RO #9163

ACTION: RECOMMENDED.

27. File 101-89-66. [Government Funding] Ordinance appropriating \$226,090, Mayor's Office of Community Development, for professional - special service contracts, temporary salaries, routine travel, printing and materials and supplies. (Controller) RO #9160

ACTION: AMENDED. RECOMMENDED AS AMENDED. Reduce appropriation to \$223,990 and eliminate "routine travel, printing and materials and supplies." AMENDED TITLE: "Appropriating \$223,990 for professional - special service contracts, temporary salaries, Mayor's Office of Community Development, for fiscal year 1989-90; and providing for ratification of action previously taken."

28. File 100-89-1.3. Requesting release of reserved funds, Residential Rent Stabilization and Arbitration Board, in the amount of \$177,284 for administrative operations. (Rent Board)

ACTION: RELEASE OF \$133,540 APPROVED; FILED.

29. File 101-89-48. To consider need for appropriations for emergency earthquake relief and services. (Supervisor Walker)

ACTION: CONTINUED TO JANUARY 3, 1990, MEETING.



CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

December 13, 1989

TO: Finance Committee

DOCUMENTS DEPT.

FROM: Budget Analyst

DEC 21 1989

SUBJECT: December 13, 1989 Finance Committee Meeting

SAN FRANCISCO  
PUBLIC LIBRARY

Item 1 - File 97-89-12

**Note:** This item was continued by the Finance Committee at its meeting of November 29, 1989.

1. The proposed ordinance would amend the Administrative Code by adding Section 10.11-1, authorizing all officers, boards and commissions of the City to accept payment of fees and other charges by credit card for services provided by the City. Credit card payments would have to be made in person and not by telephone or mail, and would only be accepted for payments of \$10 or more.

2. According to the City Attorney, California Government Code Section 6159 authorizes cities to accept credit cards for certain types of payments, including the deposit of bail or fines for parking tickets or misdemeanors, for payment of car towage or storage fees resulting from parking violations, or for payment of other charges or fees for services rendered by the City. Section 6159 does not permit the use of credit cards for making other payments, such as property or payroll taxes.

Comments

1. The attached report, prepared by the City's Treasurer, provides a summary of some of the advantages and disadvantages of the proposed ordinance. The advantages include convenience to the payor, a possible reduction in bad checks received, and quicker deposit of funds to the City's accounts. The disadvantages include payment delays involving disputed charges, the need to set aside City funds to pay bank service fees and therefore a reduction in funds available for investment, the need for training for employees involved with credit card payments, and the need for additional administrative time to reconcile disputed charges.



2. The Treasurer reports that the credit card discount fee, which is the monthly charge for credit card transaction processing, would cost the City approximately two percent of the credit card charges. Additional monthly bank charges include account maintenance, computer terminal rental, computer time, and fees for deposits, couriers and balance reports. The Treasurer indicates that the actual monthly costs to the City would depend on the dollar amount and the number of credit card transactions, and the Treasurer is unable to provide an estimate of the actual costs to the City without this information.

3. The Treasurer advises that the proposed legislation should require City departments to obtain approval of the Treasurer prior to establishing systems for credit card payment. The Treasurer indicates that this additional requirement would allow the Treasurer to ensure that credit card payments would be cost-effective for the department requesting the system. The Budget Analyst concurs with the Treasurer that new credit card payment systems should be approved by the Treasurer.

4. Article X, Section 10.57A of the Administrative Code currently authorizes the Municipal Court and the Police Department to accept credit card payments for bail for misdemeanor offenses and for traffic fines. According to Mr. Tom Carrick of the Treasurer's Office, the Municipal Court collects approximately \$90,000 to \$100,000 per month in traffic fines and misdemeanor bail payments, from which approximately \$1,800 to \$2,000 is deducted for the bank's discount fee. Other monthly charges total approximately \$2,000. If these traffic fine and misdemeanor bail payments were paid in cash or by check, the City could have realized an additional amount of approximately \$4,000. The experience of the Municipal Court may or may not represent the experience of other City departments, should credit card payments be authorized City-wide.

### Recommendation

Approval of the proposed ordinance, which would provide a convenience to the public at an indeterminable cost to the City, is a policy matter for the Board of Supervisors. If the Board approves the proposed ordinance, amend the legislation to require that departments receive approval of the Treasurer prior to the establishment of a new credit card payment system.



Proposed legislation for accepting payment by credit card for services rendered by the City and County of San Francisco.

There is proposed legislation by Supervisor Kennedy which would allow City and County departments to accept payment by credit card for services rendered. The minimum acceptable payment is \$10.00.

In reviewing this legislation and the possible effects on the City and County, especially the Treasurer's Office, there are some advantages and many disadvantages associated with this legislation.

#### Advantages

- A. Convenience to payor. Payor can pay by credit card rather than carry cash.
- B. A possible reduction in bad checks issued. This advantage is offset somewhat by a disadvantage indicated below. (Disadvantage B)
- C. If the department(s) use an electronic terminal, similar to the current Municipal Court traffic citation/bail system, each payment would be immediately credited to the City's account at time of transaction. This would eliminate the delay in deposit of funds. Also no float would be involved in a deposit. However, if a manual system is employed, there would be a delay in deposit of transaction slips, but with no float involved.

#### Disadvantages:

- A. Under Federal law, when a credit card holder disputes an item on the credit card statement, the bank will remove the item and chargeback the merchant (City and County of San Francisco) the item purchase price plus interest from the date of posting to date of chargeback.

Should this occur, an individual who has made payment by credit card can dispute the charge on the monthly statement and the bank will reduce the merchant's account by the disputed account plus interest. If this happened to a city's account, the payor could be long gone before the department could recover the deducted funds from the payor. This disadvantage partially reduces Advantage B above.

- B. If a credit card system is implemented, either an electronic or manual system, funds will be placed in a City designated bank account which will require a compensating balance or direct payment for services provided by the bank. As a result, the funds used to pay the bank cost will not be available for investment purposes, therefore reducing investment income.



- C. In using a credit card payment system, the bank charges the merchant a discount fee for the processing of the credit card transaction. The current rate charged by Security Pacific National Bank for processing the Muni Court's transactions is 1.77%. Note: If a manual system was in place, the rate would be over 2%. This fee is charged on the monthly bank statement as a debit to the account.

As a result of this fee, revenues of the City and County would be reduced by the amount of the fee (at least 1 - 2%). As the fee rate increases and transaction volume, the more revenues will be lost to the city.

- D. Additional costs will be incurred with the selection of either an electronic or manual system.

Costs are as follows:

<u>Service</u>	<u>Electronic</u>	<u>Manual</u>
1. Account Maintenance (per month)	\$ 13.00	\$ 13.00
2. Branch deposit (per deposit)	1.25	1.25
3. Debits (per item)	.12	.12
4. Balance report (per month)	75.00	75.00
5. Connect time (per minute)	.3333	.3333
6. Computer printed item (per item)	.20	.20
7. FDIC (per collected balance)	.058%	.058%
8. Terminal rental (per terminal)	50.00	50.00
9. Courier (per month)	100.00 +	100.00 +

The actual cost per month will depend on transaction volume or collection balance.

- E. Should this legislation be law, there is the question as to which departments will decide to accept this type of payment. Of those that do, they will have to be advised that:
1. Their designated staff will have to be fully trained in the preparation and completion of the transaction sales slips. Payment by credit card will take longer than by check or cash as bank authorization for each transaction must be obtained and transaction slip completed.
  2. New reconciliation procedures to conform with Treasurer's Office and Controller reporting and reconciling requirements.
  3. Avoid the experience of Municipal Court in dealing with credit card transactions both with manual and electronic systems.



4. Under state law, the payment of Real Estate taxes cannot be accepted by credit card. However, as a state law, it could be changed.
- F. Should any city department decide to accept credit card payments, they should:
1. Receive approval from the Treasurer's Office and Controller prior to accepting credit card payments.
  2. Require that the minimum credit card transaction be \$100.00. Unless the transaction dollar volume is able to cover the city's bank charges through analysis, additional funds will have to be placed in the account for a period of time to maintain sufficient balances for analysis requirements. As a result, these additional funds will not be available for investment purposes.

NOTE: The above request will allow the Treasurer and Controller to review and determine if this method of payment is feasible and cost effective.

G. Changes in the Treasurer's Office:

1. Possible new reconciliation headaches.
2. Bidding process for selection of bank to process credit card transactions.
3. A drop of 1 - 2% in revenue due to the discount fee charged by the bank. This fee is automatically deducted from the account based on the prior month's activity.



Item 2 - File 12-89-24

**Note:** This item was continued at the November 29, 1989 Finance Committee meeting.

1. The proposed resolution would support an increase in the State's alcoholic beverage tax. The proposed resolution would also support dedicating the increased revenues from the increased tax to alcohol and drug abuse related services. If the proposed resolution is approved, copies of this resolution would be forwarded to the Mayor for transmission to the State Legislative Advocate for presentation to the San Francisco delegation in the State Legislature and the Governor with the request that all actions necessary and appropriate to carry out the intent of this resolution be expedited.

2. The current rate of alcoholic tax varies by type of beverage. In general, current excise taxes are imposed on each gallon of alcoholic beverage at the following rates:

<u>Alcoholic Beverage</u>	<u>Excise Tax Per Gallon</u>
Wine	1¢
Dessert Wine	2¢
Sparkling Wine	30¢
Beer	4¢
Distilled Spirits	\$2.00

In addition, all alcoholic beverages sold in California are assessed sales taxes based on the retail value of the beverage sold. San Francisco currently has a sales tax rate of 6.5 percent.

3. Mr. Joe Cucchiara, consultant to those California counties that are supporting a State Ballot Initiative to increase the alcoholic beverage tax, reports that the current alcoholic beverage tax has been in effect since 1937. The proposed State Ballot Initiative would increase the alcoholic beverage tax 5¢ per unit of alcoholic beverage, according to the following units: 12 ounces of beer, 5 ounces of wine, 3 ounces of fortified wine and 1 ounce of distilled spirits. The tax would be assessed at the point of wholesale. As an example, the proposed increase in tax rates would translate to an additional tax of \$1.28 per gallon of wine over the current tax of 1¢ per gallon of wine.



4. Mr. Cucchiara reports that based on the current year's rate of consumption of alcoholic beverages, the increase in taxes as outlined in the proposed State Ballot Initiative would result in approximately \$800 million of additional annual tax revenues. The proposed draft initiative would allocate more than 75 percent of the increase in revenues, or approximately \$600 million annually, directly to counties for more than ten specified programs related to alcohol and drug treatment services. Allocation of the revenues would be based on a \$150,000 minimum to each county plus an additional share based on each county's share of the total State population. Mr. Cucchiara estimates that the annual share for the City and County of San Francisco would be more than \$15,794,286. Additional revenues from this increased alcoholic beverage tax in an undetermined amount would be available to supplement this \$15.8 million amount through programs that are not directly covered in the initial allocations. The Initiative was filed with the State Attorney General on November 9, 1989 and signature gathering will commence by December 14, 1989.

5. The primary opposition to an increase in the State alcoholic beverage tax is from the wine, beer and alcoholic spirits manufacturers, producers and distributors. Opposition is particularly strong from the wine producing areas of the State. In response to inquiries from the Budget Analyst, the Wine Institute reported that they are opposed to the proposed ballot initiative. The Wine Institute is currently working on a proposal that would raise, after several years, approximately \$180 million annually through a more moderate increase in the State alcoholic beverage tax. Although each county would be allocated a portion of the funds raised, specific allocation procedures have not been worked out.

6. CSAC was originally supporting the provisions in the proposed ballot initiative. However, CSAC informed the Budget Analyst that CSAC has decided to take no position on the proposed increase in the State's alcoholic beverage tax. CSAC reaffirmed its neutrality on this issue at its November 17, 1989 meeting.

7. According to Mr. Cucciara there are protections in the proposed ballot initiative that prohibit the State from using revenues from this tax to supplant current State per capita expenditures for alcohol and drug programs. However, the Budget Analyst notes that there are no similar provisions in the proposed ballot initiative which would preclude counties from using the new revenues to offset existing General Fund monies that are allocated for local alcohol and drug treatment purposes.

8. The Budget Analyst notes that the proposed resolution does not support a specific proposal for the raising of the State alcohol tax.

### **Recommendation**

The proposed resolution is a policy matter for the Board of Supervisors.

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Item 3 - File 127-89-7

1. The proposed draft ordinance would amend Part III, Article 3 of the San Francisco Municipal Code (Revenue/Business Regulations) by adding Section 251.1 to require individuals or businesses that rent out a room or other enclosed space to transient merchants to notify the Tax Collector of the renting. A transient merchant is any person or firm that engages in a temporary business in San Francisco of selling merchandise, other than food or food products, and that rents a hall in a hotel or other enclosed space to exhibit and sell the merchandise. The proposed ordinance would require notification to the Tax Collector within ten days before the transient merchant exhibits and sells merchandise from that space. The proposed ordinance would also provide that individuals or businesses found in violation of the proposed provision would be subject to a civil penalty, payable to the Tax Collector, of 25 percent of the merchant's gross sales or \$500, whichever is greater.

2. Part III, Article 3 of the Municipal Code currently requires transient merchants operating in the City to obtain a license from the Tax Collector. The license is issued on a quarterly basis and costs a minimum quarterly fee of \$500 plus ten percent of gross receipts in excess of \$5,000 from sales made during the quarter. The transient merchant is also required to file a \$5,000 bond with the Tax Collector before a license may be issued. Violation of these provisions are punishable by a fine of up to \$500 and up to six months in jail.

3. The proposed ordinance would pertain to the person or business renting out space to a transient merchant, rather than the transient merchant. According to Ms. Anita Jin of the Tax Collector's Office, the existing transient merchant provisions are difficult to enforce because transient merchants oftentimes come from out of State, sell merchandise for one weekend, and then leave the State, without obtaining a transient merchant license. Ms. Jin indicates that the Tax Collector's Office cannot determine the amount of sales by transient merchants that occur without the proper license. Ms. Jin states that the proposed ordinance would assist the City in enforcing the transient merchant licensing requirements, and therefore should result in increased revenues to the City through the collection of additional license fees. According to Ms. Jin, the additional costs to administer the proposed ordinance and the resulting additional revenues to be collected from license fees are indeterminable at this time and would depend on the number of transient merchant sales that would be reported.

4. Ms. Jin reports that in FY 1988-89, the Tax Collector collected approximately \$1,500 from transient merchant license fees.

5. According to Mr. Richard Sullivan of the Tax Collector's Office, the proposed legislation, if approved, should include a provision authorizing the Tax Collector to develop the rules and regulations needed to implement and enforce the proposed ordinance. Mr. Sullivan indicates that the Tax Collector's Office would notify businesses of the new law, if approved, by sending notices to the Convention and Visitor's Bureau and to hotel operators listed on the Tax Collector's hotel tax rolls, as well as other methods. Mr. Sullivan indicates that

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the proposed ordinance would be difficult to enforce, because it would rely on the efforts of the hotel operators and other businesses to determine whether individuals renting rooms were selling merchandise from the rooms.

**Recommendations**

1. Approval of the proposed ordinance is a policy matter for the Board of Supervisors.
2. Should the Board of Supervisors approve the proposed ordinance, amend the legislation to authorize the Tax Collector to develop the rules and regulations needed to implement and enforce the proposed ordinance and approve as amended.



Item 4 - File 106-89-4

**Note:** This item was continued at the November 15, 1989 Finance Committee meeting.

1. This is a hearing to consider the submission of a plan from the Civil Service Commission regarding examination and classification functions.

2. At the July 12, 1989 Finance Committee meeting, the Finance Committee requested that the Civil Service Commission work with the Mayor's Office, the Controller and the CAO to develop a plan for examination and classification functions.

3. The Civil Service Commission submitted a report to the Finance Committee on November 14, 1989 addressing the personnel problems related to the backlog in the Civil Service Examination and Classification Programs. The report included a survey of all City department heads to collect information concerning vacant positions, eligibility lists that are due to expire, priorities for developing and administering exams, etc. The Report's recommendations included conducting Phase I of a City-wide Classification Study and adding additional staff to both the Classification and Exam Units.

4. Ms. Sandy Matteucci of the Civil Service Commission states that the November 14, 1989 report was revised to include more detailed recommendations.

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Items 5 and 6 - Files 101-89-57 and 102-89-22

**Department:** Mayor's Office of Housing (MOH)

**Items** Supplemental Appropriation Ordinance for temporary salaries for the creation of two positions (File 101-89-57).  
  
Annual Salary Ordinance amendment reflecting the addition of two positions (File 102-89-22).

**Amount:** \$51,497

**Source of Funds:** Unappropriated Revenue Reserve (General Fund) in the amount of \$200,000 for Affordable Housing Action Plan established in the 1989-90 budget.

**Description:** 1. The proposed amendment to the 1989-90 Salary Ordinance (File 102-89-22) would add two positions to the Mayor's Office of Housing (MOH) as follows:

<u>Action</u>	<u>No.</u>	<u>Class/Title</u>	<u>1989-90 Biweekly Salary</u>	<u>1989-90 Annual Salary</u>
Add	1	5410 Intergovernmental Affairs Coordinator	\$1,855 - \$1,855	\$48,230 - \$48,230
Add	1	9786 Assistant to Mayor III	1,745 - 1,832	45,370 - 47,632

The MOH working title for the 5410 Intergovernmental Affairs Coordinator would be Housing Development Coordinator. The position duties would include:

In coordination with the Planning Coordinator of the Department of City Planning (DCP), identify public and private sites appropriate for development as affordable housing;

Design and carry out feasibility studies on selected sites, including the evaluation of economic, physical suitability, neighborhood acceptance, and other factors relevant to the feasibility of affordable housing development;

Coordinate initiatives to develop new mechanisms for financing affordable housing, and new controls to ensure long-term affordability for new developments;

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In coordination with the DCP Planning Coordinator, review existing zoning and other incentives and disincentives to affordable housing development, and propose new incentives as needed; and

Coordinate discussion and review of proposed new incentives by the City Attorney, Bureau of Building Inspection, Redevelopment Agency, other City departments, and community groups to achieve adoption of appropriate measures to expand opportunities for affordable housing.

The MOH working title for the 9786 Assistant to Mayor III would be Permit Expediter/Construction Specialist. The position duties would include:

In coordination with the Housing Development Coordinator and the staffs of the respective departments, conduct a comprehensive review of processing procedures for housing development in the Department of City Planning, Bureau of Building Inspection, Fire Department, and other regulatory agencies;

Develop recommendations for improvement of existing processing procedures to reduce time necessary to approve affordable housing developments, and work with the appropriate agencies to secure the adoption of the improved procedures;

Evaluate possible exemptions from the Uniform Building Code which would significantly reduce the cost of housing construction without adversely affecting health and safety standards, and coordinate the adoption of such exemptions by the City; and

Assist for-profit and non-profit developers of affordable housing to reduce the costs of specific projects by improvement of project design and by expediting processing of permits and approvals.

The attached MOH Organizational Chart describes 15 positions, including the two new positions requested in this legislation, which would be in effect starting January of 1990. The Chart identifies Civil Service Commission and MOH titles, annual salary, position status, and source of funds.

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2. The proposed Supplemental Appropriation Ordinance (File 101-89-57) would appropriate \$51,497 to fund temporary salaries, eligible fringe benefits and overhead costs for the six month period January 1, 1990 through June 30, 1990 as follows:

Personnel Costs

Permanent Salaries - Misc.	\$45,045
Mandatory Fringe Benefits	<u>2,573</u>
Subtotal - Personnel Costs	\$47,618

Operating Costs

Property Rental	<u>3,879</u>
Subtotal - Operating Costs	\$3,879

Project Total	\$51,497
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**Comments:**

1. The salary amount of \$20,930, in the proposed supplemental appropriation (File 101-89-57) for the 9786 Assistant to the Mayor III does not reflect the amended 1989-90 Salary Standardization Ordinance (Ordinance 411-89) amount of \$22,685, as approved by the Board of Supervisors on November 8, 1989. Adjustments to the proposed ordinance are identified in Comment 4. The salary amount is correctly stated in the proposed Annual Salary Ordinance amendment.

2. MOH has several sources of funds other than the General Fund which may be used in part to administer housing development and rehabilitation programs. Two of these are the Federal Community Development Block Grant (CDBG) Housing Site Acquisition Program and the Housing Development Fund. The purposes and amounts of these funds are as follows:

Housing Site Acquisition Program Fund (HSAP) - acquisition of vacant land and existing buildings for affordable housing consisting of new development and rehabilitation including pre-development costs such as plans and specifications, surveys, relocation costs and work order services to City departments. The current balance of this Fund is \$2,647,300. The Fund will be increased to \$5,067,300 resulting from Board of Supervisors approval of the 1990 Community Development Program (Resolution No. 904-89) which added \$2,420,000 to the HSAP.

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Housing Development Fund (HDF) - administration of the Condominium Conversion Program and the financing of affordable housing developments. The current balance of this Fund is \$411,600.

3. Based on the job descriptions for the 5410 Intergovernmental Affairs Coordinator and the 9786 Assistant to Mayor III, which include responsibilities for the selection of sites for affordable housing and design of site feasibility studies, it is reasonable to expect that at least 25% of these duties are directly supportive of the administration of the Housing Site Acquisition Program Fund and the Housing Development Fund. Administration of these Funds are eligible program costs which may be deducted as overhead charges against the Funds.

4. Based on comments 1 and 3 above, the proposed supplemental appropriation ordinance should be reduced by \$12,910 from \$51,497 to \$38,587 as follows:

	<u>Amount Requested</u>	<u>Amount Recommended</u>	<u>Requested Reduction</u>
Permanent Salaries	\$45,045	\$35,100	\$9,945
Medicare Match*	653	509	144
Health Service	1,470	1,101	369
Unemployment Insurance	450	35	415
Property Rental	<u>3,879</u>	<u>1,842</u>	<u>2,037</u>
Totals	\$51,497	\$38,587	\$12,910

\*As mandated by Federal law, the Medicare Match requires that all employees pay at least the Medicare portion of the Social Security tax.

The basis of these recommendations are (a) that at least 25% of the total costs are reasonable charges against the Housing Site Acquisition Program Fund and the Housing Development Fund, and (b) that an incorrect salary level was proposed for the 9786 Assistant to the Mayor III position.

Explanations of the amounts recommended are as follows:

Permanent Salaries - 75% of \$46,800 (\$24,115 + \$22,685) = \$35,100. This corrects the salary error identified in Comment 1 above.

Medicare Match -  $.0145 \times \$35,100 = \$509$ .

Health Service -  $\$122.29/\text{month} \times 2 \text{ positions} \times 6 \text{ months} \times .75 = \$1,101$ .

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Unemployment Insurance -  $.001 \times \$35,100 = \$35$ .

Property Rental - based on actual pro-ration of 75% of two employees for new office space at 10 United Nations Plaza -  $\$18,421$  (6-months rent)  $\times .75 \times 2$  employees divided by 15 total staff =  $\$1,842$ .

5. The Mayor's Office of Housing (MOH) response to the Budget Analyst's review of this legislation has been included as Attachment 2. In that response, MOH states "In our view, the proposal to use program capital funds, rather than General Fund monies specifically set aside by the Board of Supervisors, contradicts the intent of the Board with respect to these programs." We totally disagree with the MOH statement. As shown in point 6c below, if that MOH statement were true, MOH itself is contradicting the intent of the Board of Supervisors.

6. The response notwithstanding, the Budget Analyst's report and recommendation are appropriate because of the following:

- a. Staff costs to implement the program objectives of increasing affordable housing are eligible program costs. For example, a portion of the CDBG Community Housing Rehabilitation Program (CHRP) has been appropriated for staff costs for the past several years;
- b. The reference to HUD auditors and their recent caution regarding the 20% CDBG cap for administration was limited to the administrative costs for the San Francisco Redevelopment Agency. HUD's comment did not apply to MOH; and
- c. The MOH uses program funds at their exclusive disposal for administrative costs without any review by the Controller, Purchaser, Civil Service Commission or Budget Analyst for the Board of Supervisors. For example, as identified on p.125 of the Budget Analyst's Report on the 1990 Community Development Budget, MOH has obligated  $\$83,817$  ( $\$55,878$  annualized) from Mortgage Revenue Bond Fees for a personal services contract to hire an Administrative Assistant to perform various clerical duties. Such services probably could have been provided at a lesser cost if a review by the Civil Service Commission had been provided.

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7. The Mayor's Office of Housing (MOH) administers several revenue sources which are not identified in the City Annual Budget process or Supplemental Appropriation process. If these resources are to be used for purposes other than as specifically authorized in Board of Supervisors enabling legislation, then they should be subject to the budget and fiscal provisions of the Charter. Mr. Dave Fong, Chief Assistant Controller, advises that all MOH revenue accounts should be transferred to accounts under the authority of the Controller to fulfill the budget and fiscal provisions of the Charter.

**Recommendations:** 1. Amend the proposed supplemental appropriation (File 101-89-57) as follows:

Title

- a. Amend line 2 to decrease the total appropriation by \$12,910 from \$51,497 to \$38,587;

Funding Sources

- b. Amend line 14 to decrease the need of the Unappropriated Revenue Reserve by \$12,910 from \$51,497 to \$38,587;

Expenditures

- c. Amend line 16 to reduce the Permanent Salaries - Miscellaneous account by \$9,945 from \$45,045 to \$35,100;
  - d. Amend line 17 to reduce the Medicare Match account by \$144 from \$653 to \$509;
  - e. Amend line 18 to reduce the Health Service account by \$369 from \$1,470 to \$1,101;
  - f. Amend line 19 to reduce the Unemployment Insurance account by \$415 from \$450 to \$35; and
  - g. Amend line 20 to reduce the Property Rental account by \$2,037 from \$3,879 to \$1,842.
2. Approve the proposed Supplemental Appropriation Ordinance as amended (File 101-89-57).
3. Approve the proposed amendment to the Annual Salary Ordinance (File 102-89-22).

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## Mayor's Office of Housing (MOH)

**Organizational Chart**

(MOH and CSC Titles, Annual Salary, Position Status and Source of Funds)  
(To Be Effective January 1, 1990)

**Director**

5404 Special Assistant for Program Development  
\$75,899 - Continuing - CDBG Funds

**Deputy Director**

9792 Assistant to Mayor VI  
\$61,883 - New Position - Mortgage Revenue Bond Fees  
(Positions identified below are under the supervision of the Deputy Director)

**MULTI-FAMILY  
REHABILITATION STAFF**

**Housing Rehabilitation Manager**  
5406 Spec. Asst. for Program Coordination  
\$56,037 - Position Upgrade - CDBG Funds

**SPECIAL PROJECTS  
INTERAGENCY IMPLEMENTATION STAFF**

**Special Projects Director\***  
9792 Assistant to Mayor VI  
\$61,883 - New Position - Mortgage Revenue Bond Fees

**SINGLE FAMILY AND PROGRAM  
ADMINISTRATION STAFF**

**Housing Programs Manager**  
5406 Spec. Asst. for Program Coordination  
\$56,037 - Continuing - CDBG Funds

**Housing Rehabilitation Coordinator**  
5410 Intergovernmental Affairs Coordinator  
\$48,416 - New Position - CDBG Funds

**Chief Housing Finance Officer**  
5406 Spec. Asst. for Program Coordination  
\$56,037 - Continuing - Rental Rehabilitation Program

**Housing Compliance Specialist**  
9782 Assistant to Mayor I  
\$31,111 - Continuing - CDBG Funds

**Housing Construction Specialist**  
5410 Intergovernmental Affairs Coordinator  
\$48,416 - Continuing - CDBG Funds

**Housing Development Coordinator**  
5410 Intergovernmental Affairs Coordinator  
\$48,416 - New Position - General Fund Revenue Reserve

**Housing Resale/Information Specialist**  
1847 Executive Aide to Mayor's Office  
\$37,845 - Continuing - Housing Dev. Fund

**Housing Rehabilitation Specialist**  
1847 Executive Aide to Mayor's Office  
\$37,845 - Continuing - CDBG Funds

**Permit Expedition/Constr. Specialist**  
9786 Assistant to Mayor III  
\$45,545 - New Position - General Fund Revenue Reserve

**Secretary**  
1818 MIS Specialist II  
\$36,383 - Continuing - CDBG Funds

**Secretary**  
1811 MIS Technician II  
\$29,519 - Continuing - CDBG Funds

\* Currently this position is filled with a Consultant Contract at \$50,000 per year. In addition, Mortgage Revenue Bond Fees pay for an Office Manager at \$55,878 per year which is not expected to be renewed at the end of the calendar year. These contracts were not subject to review by the Controller, Purchaser, Civil Service Commission or Budget Analyst for the Board of Supervisors.

December, 1989



# MEMORANDUM

## MAYOR'S OFFICE OF HOUSING

TO: Harvey Rose

FROM: Barbara Smith *BS*

SUBJECT: Draft Recommendation to Finance Committee  
Files 101-89-57 and 102-89-22

DATE: 12/7/89

The Mayor's Office of Housing takes strong exception to the draft recommendation of the Budget Analyst with respect to the above files. In our view, the proposal to use program capital funds, rather than General Fund monies specifically set aside by the Board of Supervisors, contradicts the intent of the Board with respect to these programs.

You are proposing to allocate 25% of the cost of the new positions to the CDBG Housing Site Acquisition Program and the Housing Development Fund. These funds were established by the Board to provide grants and loans to developers for acquiring, constructing and/or rehabilitating housing for long-term affordability.

Because we understand this use to be the Board's highest priority for the use of funds, the Mayor's Office of Housing has sought to limit the use of these funds for administrative costs. Under Section 1343 (d) of the Subdivision Code, monies may be used to pay the costs of administering the Fund, and the costs to monitor low and moderate income units is specifically identified. To date, the Real Estate Department's costs for monitoring resales has been the only administrative cost charged to the fund. These monitoring functions were recently transferred to MOH, and our 1990 budget includes the same amount previously work-ordered to Real Estate for these expenses.

MOH administrative funding for the Housing Site Acquisition Program is currently provided by our CDBG administration budget. Site Acquisition funds are used only to pay program-related costs of the Real Estate Department and City Attorney which are work-ordered by MOH. This practice is necessary because these expenses are not budgeted in the General Fund budgets of these departments. Using Site Acquisition Program funds for MOH administrative expenses would set a precedent for diverting these funds for their intended capital acquisition purposes. Moreover, the City has recently been cautioned by HUD auditors not to use CDBG funds for administrative of projects which may not be CDBG eligible. Because of the CDBG cap on administration, we would anticipate that HUD would have similar objections to taking funds budgeted for programs and using them for administration.

In the 1989-90 General Fund budget, \$200,000 was reserved for implementing the Affordable Housing Action Plan by MOH and the Department of City Planning. Of the total, \$99,489 was allocated for hiring two MOH staff. Because of delays in determining appropriate classifications, this request would use only \$51,449 of the reserve, with the remainder being available to the Board. We feel that the Board's purpose in establishing the reserve should be maintained, rather than reducing the amounts available for development of affordable housing from existing funds.



Barbara Smith to Harvey Rose  
December 7, 1989  
Page 2

We accept the corrections of the amounts submitted, other than the recommendation to use other funding sources. We therefore propose the following amounts for the relevant items:

Permanent Salaries	\$46,800
Medicare Match	679
Health Service	1,467
Unemployment Insurance	47
Property Rental	2,456
	<hr/>
Total Request:	\$51,449
	=====

cc: Martin Gustavson



Items 7 and 8 - Files 7-89-7 and 97-89-51

**Note:** This item was continued at the November 15, 1989 Finance Committee meeting.

**Department:** Public Utilities Commission (PUC)  
Arts Commission

**Item:** File 7-89-7 - The proposed ordinance would amend the transit shelter agreement between the PUC and Gannett Outdoor Company, Inc. pertaining to advertising on Market Street transit shelters.

File 97-89-51 - The proposed ordinance would amend the Administrative Code by adding Sections 10.117-93, 10.117-94 and 10.117-95 to establish three special funds: 1) Market Street Art Maintenance Fund 2) Market Street Art Acquisition Fund and 3) Youth Arts Fund.

**Description:** In July of 1987, the Board of Supervisors approved an agreement (File 176-87-2) between the City and County of San Francisco, through the Public Utilities Commission, and Gannett Outdoor Company, Inc. for the construction and maintenance of 350 to 1,000 advertising transit shelters throughout the City. The agreement provided that the issue of advertising on Market Street would be negotiated at a later date when and if Market Street became available for advertising. Under the original agreement Gannett keeps all advertising revenues, pays for all construction and maintenance costs and pays the City \$150,000 annually plus a cost of living increase to reimburse the City for the administrative overhead expenses of the Transit Shelter Program.

In April of 1989, the Board of Supervisors approved an ordinance (File 115-88-12) which amended Section 603 of the San Francisco Planning Code to permit outdoor advertising on either transit shelters or three-sided kiosks located within the Market Street Special Sign District which extends from Steuart Street to the Central Freeway.

The proposed ordinance (File 7-89-7) would amend the 1987 agreement with Gannett as follows:

- Provide for Gannett to construct and place at no cost to the City 26 transit shelters and freestanding advertising kiosks along lower Market Street. Each kiosk would contain three advertising spaces. Two of the spaces would be available for commercial advertising and one of the

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**BUDGET ANALYST**



spaces would be available for public service advertising and public art.

- Require that one half (\$75,000) of the previously agreed \$150,000 plus a cost of living increase contributed annually by Gannett to the City to reimburse PUC/MUNI for administrative and overhead expenses for the Transit Shelter Program be re-directed to the Arts Commission for a variety of youth programs including the youth arts festival and neighborhood cultural centers. Over the remaining 12 years of the agreement more than \$1.25 million would be provided for those purposes.
- Require that Gannett pay a \$50,000 annual fee to the City for the City's share of the advertising revenues from transit shelter advertising on Market Street. This sum would be increased five percent annually and the revenues would be used for the maintenance and restoration of public art on Market Street between the Embarcadero and Castro Street. The total revenues over the lifetime of the agreement would be approximately \$885,000.

The proposed ordinance (97-89-51) would establish three special funds:

- 1) Market Street Art Maintenance Fund - The Fund would receive the City's annual share of advertising revenues from transit shelter advertising on Market Street (first year of \$50,000). Total revenues committed to this Fund by Gannett would be approximately \$885,000. Funds would be expended at the discretion of the Arts Commission and used exclusively for capital and administrative costs associated with the acquisition of public art on Market Street.
- 2) Market Street Art Acquisition Fund - The Market Street renovation work, involving approximately \$22 million in capital infrastructure improvements for a rehabilitated street surface, new MUNI tracks, new MUNI boarding islands and completion of the beautification effort, includes \$375,000 of San Francisco Municipal Railway Improvement Corporation bond funds for public art on Market Street which would be deposited in this Fund. The Fund would be used exclusively for capital and administrative costs associated with the acquisition of public art on Market Street. Expenditures would be at the discretion of the Arts Commission.

**BOARD OF SUPERVISORS**  
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- 3) Youth Arts Fund - The Fund would receive one-half of the \$150,000 plus cost-of-living increase annual payment made to the City by Gannett for reimbursement of administrative and overhead expenses for the transit shelter program. Estimated total payments to the Fund by Gannett would exceed \$1.25 million. Funds would be expended at the discretion of the Arts Commission and be used exclusively for providing programs and opportunities for young artists.

Any gifts or donations would also be deposited to the three special funds. Interest earnings and any remaining balances would be carried forward into the next fiscal year.

**Comments:**

1. In FY 1988-89 MUNI budgeted \$180,000 for administrative overhead expenses for the Transit Shelter Program. The PUC recommended that one-half (\$75,000 in the first year) of the annual payment by Gannett for reimbursement of administrative and overhead expenses be re-directed to the Arts Commission because with the anticipated completion of the 1,000 shelter program in the Spring of 1990, MUNI's administrative responsibilities and costs would diminish.

2. The \$50,000 annual fee adjusted five percent annually to be paid by Gannett for the City's share of advertising revenues from transit shelter advertising on Market Street was negotiated by the PUC and Gannett. The \$50,000 initial fee represents 15 percent of Gannett's projected gross advertising revenues in the first year of operation. The PUC determined that the City's fee percentage was comparable to percentages received by other cities with transit shelter advertising programs.

3. Under the proposed legislation to establish these three Special Funds, all of the monies accruing to these funds would be expended solely at the discretion of the Arts Commission without being subject to any prior review or appropriation approval by the Board of Supervisors. The Budget Analyst notes that the primary source of revenues accruing to these three Special Funds would not be private donations but rather would be revenues payable to the City through the agreement with Gannett (Market Street Art Maintenance Fund and Youth Arts Fund) and Bond Funds (Market Street Art Acquisition Fund). The Budget Analyst strongly believes that providing exclusive authority to the Arts Commission to expend these funds, which over a 12-year period would amount to at least \$2.5 million, without prior review and appropriation approval of the Board of Supervisors, would not be in the best interests of the City from both a cost control and cost effectiveness standpoint. Even if

**BOARD OF SUPERVISORS**  
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reports were to be submitted on an after-the-fact basis, this proposed legislation effectively removes all prior budget analysis and approval from the Board of Supervisors of at least \$2.5 million.

4. Ms. Claire Isaacs, Director of the Arts Commission, submitted the attached letter on December 7, 1989 to the Budget Analyst stating her concerns on the Budget Analyst's recommendation that expenditures from the three proposed funds should be subject to prior review and appropriation approval by the Board of Supervisors. In this letter, although Mr. Isaacs suggests various alternatives, Ms. Isaacs states "that any kind of prior review and approval which would require the Arts Commission to submit supplemental appropriation requests for each and every expenditure would be totally destructive of the proposed programs". The Budget Analyst notes that the funds in question could be handled in the normal annual budgetary review process or in one supplemental appropriation ordinance in contrast to separate review of "each and every expenditure."

**Recommendations:** 1. Approve the proposed ordinance (File 7-89-87).

2. Amend the proposed ordinance to require that, prior to the expenditure of any monies deposited to the Special Funds, expenditures from the three proposed Special Funds be subject to prior review and appropriation approval by the Board of Supervisors and approve the ordinance as amended (File 97-89-51).





December 7, 1989

To: Members of the Finance Committee of the Board of Supervisors  
Harvey Rose, Budget Analyst

From: Claire Isaacs, Director, San Francisco Arts Commission

Re: Files 7-89-7 and 97-89-51

This letter is written to address and to question the meaning and interpretation of "prior review and appropriation approval by the Board of Supervisors" as recommended by the Budget Analyst in his report.

The purpose of the three special funds to be established by the proposed ordinance is to enable the placement of art on Market Street for civil improvement (identical with the present Percent for Art Program under which the Market St. program will be administered); to enable the Arts Commission to perform its charter-mandated responsibility of maintaining such art; and to provide community arts and arts education opportunities throughout the city for children and youth. This latter function has been an ongoing part of the Commission programs for over twenty years, but funding has been both insufficient and inconsistent in level.

First of all, we must state that any kind of prior review and approval which would require the Arts Commission to submit supplemental appropriation requests for each and every expenditure would be totally destructive of the proposed programs. The Commission is not staffed to prepare, to process, and to follow the progress of such requests nor to spend the kind of time required in the numerous meetings and appearances required. This would require a needless amount of time for all concerned, and would greatly impede the fluidity needed for operation of arts programs and projects.

Therefore, we wish to propose an approach which we are convinced is workable, and which addresses the specifics of each fund separately. We believe that in each case the city would have appropriate fiscal control while allowing for the normal operation of these programs.

- I: Market Street Art Maintenance Fund: It is the opinion of the City's Collections manager, a staff member of the Arts Commission, that it is both possible and appropriate to submit an annual budget which lines out the maintenance plan for the following year. This is consistent with the present practice of planning several years in advance for restoration and conservation of older existing statues in San Francisco. While estimates may vary for specific maintenance projects, there is a general body of information on the matter of pricing from which to draw a reasoned fiscal plan. The expenditure of the \$50,000 which will be available annually can be budgeted, and this plan submitted as part of the annual budgetary process. We already know, for example, that in the first year we shall probably be concentrating on the maintenance of recently restored Market St. older monuments, in order to avoid the great costs associated with neglect. Later, following the actual purchase of new works, portions of the fund will be spent to protect and maintain the new acquisitions, again, to prevent incurrence of great costs later. Some funds will be needed to replace any works which are selected, such as banners, which requiring actual refurbishment off site. The Arts Commission will approve the staff's annual plan and this can be submitted to the Board.

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558 3463

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Library Commission,  
Planning Commission,  
Recreation and Park  
Commission

RECTOR  
Claire N. Isaacs





December 7, 1989

Re: Market St. Art Acquisition, Maintenance and Youth Arts Funds

- 2: Market Street Art Acquisition Fund: The Arts Commission recommends that the most functional way to operate would be for the Commission to request an overall sum of monies to be set aside for the purchase/commissioning of art for Market Street, such budget to be submitted on an annual basis. However, the very nature of the process for art selection makes it not possible for such a budget to be itemized for each and every art work.
- a. Process: Once a site is selected, the Commission reviews what art is available on the market or requests proposals for commissions. The actual price of such art work varies greatly and cannot be determined in advance. What is available for purchase varies almost daily; commissions are priced by the artists depending on size, labor, etc. which is part of the process of developing the art work. Thus price of a commission is a function of the request from the Arts Commission, which sets the parameters.
- b. Selection: Once the submissions are pared down to a group of finalists, the relationship of price to the budget is taken into consideration, and there are a series of variable factors: 1) should the Commission choose one major work at \$100,000 for example, or ten smaller works for various sites by lesser known artists in prices averaging (but not specifically) \$10,000 each. The Commission, together with architects, landscape architects, planners, members of the community and staff, labor often for months over the question of the impact of the art and which direction to go. Then the contracts are developed or purchase orders written. The process goes on throughout the year, with some works agreed on and others in limbo while changes may be made in the proposals. This is not a process of finality, but one of continuing movement towards a conclusion. Sometimes the cost of a work may change if the artist runs into fabrication difficulties which cannot be anticipated when developing a first, one of a kind art work. And that is the "key"; art is not purchased or commissioned like other products, because it is a creative and ongoing process.

The Commission recommends that it submit an annual request to draw down against the fund in an amount appropriate to actual expenditure anticipated, with a rough overall plan regarding site, but without specific details as to actual works of art and prices of individual art works.

- 3: Youth Arts Fund: We are extremely concerned about placing restrictions on this fund which would inhibit the flexibility needed to respond to requests as well as to develop programs quickly, much faster than the annual budget process allows. Obviously, it is against all interests to request a submission for a supplemental every time some paint brushes are needed for a community arts project, or assistance for an anti-graffiti poster contest. At present, it is anticipated that some of the funds may be used to supplemental some existing meritorious programs such as the Youth Arts Festival started by the Arts Commission, whilst other funds will be expended in response to needs presented by the community; these might include matching an artist-in-residence grant at a community cultural center, or providing the needed arts supplies for such a program, or assisting an arts in education initiative by providing printing, or supplies, or staffing, or meeting space, etc. However, the Commission, which is less than one year old, has therefore for some time to assess the



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December 7, 1989

RE: Market St. Art Acquisition, Maintenance and Youth Arts Funds

true community needs in the area of youth arts and to determine the highest priorities.

The Arts Commission Director and staff therefore recommend that the Commission submit an annual report on the expenditures from this fund, which will detail how the funds have been spent, rather than be required to submit supplemental itemized requests for funds. The experience of the Arts Commission in husbanding its limited resources is well known and the use of these funds will be heavily scrutinized by the Commission as a matter of both procedure and policy. Various programs of the Commission will be required to justify requests for use of the Youth Arts Fund as advancing the specific goals of such programs, and therefore the very process will eliminate any hasty or ill-thought out decisions.



Item 9 - File 101-89-55

1. The proposed resolution would establish \$771,021,181 as the 1989-90 net appropriations limit for the City and County of San Francisco as required by Article XIII B of the California Constitution.

2. On November 6, 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. Article XIII B limits the growth of appropriations from proceeds of taxes of the State of California and local governments to the percentage change in population and the lesser of the percentage change in the cost of living or in per capita personal income. The State Government Code requires that each local government establish its appropriation limit (Gann Limit) by resolution each year.

3. To determine the City's net Gann spending limit, the State's trial court funding revenues must be considered. The City participated in trial court funding in fiscal year 1988-89 and received \$7,244,424 of State funding (six months of funding). The City has again decided to participate in trial court funding in fiscal year 1989-90 and the City is estimated to receive \$15,246,000 for the full fiscal year. However, in order to participate in the program, the State requires that the City and County decrease its Gann Limit by the net revenue amount it will receive from trial court funding so that the State can increase its Gann limit by that amount.

4. The Controller has computed the 1989-90 Gann Limit as follows:

1988-89 Gross Gann Limit	\$737,309,810
Increase in Cost of Living*	4.98%
Increase in Population	1.58%
1989-90 Gross Gann Limit	\$786,267,181**
Less Trial Court Funding Revenues	<u>15,246,000</u>
1989-90 Net Gann Limit	\$771,021,181

\* Less than the change in the per capita personal income.

\*\*1.0498 times 1.0158 equals 1.0663868 times \$737,309,810.

5. The Controller's Office monitors revenues affected by the Gann Limit throughout the year. At year end, a final computation is prepared comparing actual proceeds of taxes to the Gann Limit. At that time, two tests must be met. First, all actual proceeds of taxes must be below the Gann Limit; and second, all actual proceeds of taxes collected must be appropriated. If either test is not met, excess revenues collected must be returned to the taxpayers within two years.



6. The amount appropriated in the City's fiscal year 1989-90 budget that is subject to the Gann Spending Limit is \$671,491,174, which is \$99,530,007 less than the net 1989-90 Gann Limit of \$771,021,181. In accordance with Section 24 of the Annual Appropriation Ordinance, all other 1989-90 tax proceeds are appropriated to the City's General Fund General Reserve (Contributed Revenue Reserve), which is used to fund the City's budget for the next fiscal year.

### Comments

1. The Gann Limit was first applied in 1980-81 using the actual 1978-79 appropriations that would have been subject to the limit, had it existed then, as the base year (as called for by Article XIII B of the California Constitution). The 1978-79 base was adjusted for changes in per capita personal income, cost of living and population to obtain the 1980-81 limit. In each successive year, the prior year's limit was used as the base for computation of the new limit.

2. In 1986, the City Attorney issued an opinion that certain voter approved indebtedness for employee benefits (including employer contributions for fringe benefits, such as retirement, health service and social security) could be considered "debt service" costs that are not subject to the Gann Limit. In order to exclude the debt service costs from the 1986-87 appropriations subject to the Gann Limit, the City's Gann Limit itself had to be revised to reflect elimination of debt service costs in the base year. The City's 1989-90 net Gann Limit of \$771,021,181 and its 1989-90 appropriations subject to the Gann Limit of \$671,491,174 excludes the City's fringe benefit costs.

3. The State Court of Appeal (Second District) has held that appropriations made by the County of Santa Barbara to a retirement fund were subject to the Gann Limit. The State Supreme Court declined to review that case. However, in San Francisco, the City Attorney is of the opinion that the Santa Barbara decision was wrongly decided and that the retirement system at issue in the Santa Barbara County case may in fact be significantly different from San Francisco's Retirement System. Accordingly, the City Attorney has advised that continuing to treat mandatory fringe benefits as the City has, by excluding such expenditures in computing the Gann Limit, is consistent with Article XIII B and will preserve the City's opportunity to challenge the Santa Barbara decision in the First District Court should litigation arise over the computation of the City's Gann Limit.

4. Although the City Attorney has advised the Controller's Office to exclude such expenditures in calculating the City's Gann Limit, the City Attorney has also advised the Controller and the Budget Analyst that this case will involve difficult litigation. The City Attorney has therefore advised the Controller to use prudent fiscal practices and to not collect or appropriate revenues based upon the excluded amount until the impact of the Santa Barbara decision on the City of San Francisco has been clarified. The continued treatment of these mandated employee benefits as "debt service" within the meaning of Article XIII B, and their exclusion from the Gann calculations, accounts for \$54,201,069 of the total



\$99,530,007 difference between the City's Gann Limit computation and the appropriations subject to that Gann Limit.

5. It should be noted that last year the Board of Supervisors approved the 1988-89 Gann Limit, which, based on the City Attorney's opinion, excluded the retirement system and other voter approved contractually mandated employee benefits from the calculations. Litigation to challenge the City's determination to exclude these appropriations has been filed by the San Francisco Taxpayer's Association. According to the City Attorney's Office, a motion for summary judgement was filed by the Association and opposed by the City and that motion is currently being considered by the Court.

6. In a separate case of Santa Barbara Taxpayers v. County of Santa Barbara, the State Court of Appeals ruled that franchise fees are really a fee for service, or a use charge and should not be treated as proceeds of taxes under Article XIII B. Based on this opinion, the Controller's Office adjusted the City's calculations from the base year to remove \$1,405,000 of franchise fees. The 1989-90 Gann Limit is the first year that the City's franchise fees have been excluded from the Gann Limit calculations.

7. It should also be noted that, pursuant to Article XIII B, Federal-mandated costs and all Court-mandated costs have been identified by the Controller and excluded from all the computations of the City's \$671,491,174 in appropriations subject to the Gann Limit for fiscal year 1989-90. The Federal-mandated costs and all Court-mandated costs which have been excluded from the calculation of appropriations subject to the Gann Limit total \$66,244,529, as follows:

Police Consent Decree	\$25,205,246
Jail Overcrowding	9,009,916
Federal Medicare Tax	680,523
Federal Resource Conservation Act (Toxics)	3,838,612
Firefighters Consent Decree	10,288,621
Back Pay Cases	<u>17,221,611</u>
Total	\$66,244,529

8. While the above noted exclusion of mandatory fringe benefits increases the City's exposure to legal challenge of the adoption of its Gann Limit, the City Attorney has advised the Controller and the Budget Analyst that these exclusions are legal and proper.

#### Recommendation

Based on the advice of the Controller and the City Attorney's Office, approve the proposed resolution.

**BOARD OF SUPERVISORS**  
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Items 10 and 11 - Files 278-89-1 and 278-89-1.1

**Department:** Hetch Hetchy Power and Water  
Public Utilities Commission (PUC)

**Item:** The proposed resolutions would enact rate changes for sale of Hetch Hetchy hydroelectric power to six small private customers and to six City departments. File 278-89-1 would make a finding that no General Fund subsidy will be required by Hetch Hetchy by reason of approval of the proposed revisions to the schedule of rates. File 278-89-1.1 would disapprove the (PUC) schedule of revised rates charged to private consumers and various City departments.

**Description:** 1. The rates for hydroelectric power sold by Hetch Hetchy to City Departments are determined in the following manner:

a. Rates for the Water Department, Clean Water Program and the Airport are tied into changes in the applicable Pacific Gas & Electric (PG&E) rates, are updated automatically and do not require approval by the Board of Supervisors.

b. Rates for the six City Departments listed in Point 2 below and for the six small private customers listed in Comment 2 below are tied into changes in the applicable PG&E rates but changes in the rates must be established by resolution of the PUC and all such rate changes are subject to review and approval by the Board of Supervisors.

c. Rates for all remaining City Departments are charged at Hetch Hetchy's cost of producing and delivering hydroelectric power and are subject to review and approval through the annual budget process.

2. The PUC is seeking to raise the rates for the six separately metered City Departments listed below, whose rates are pegged to the applicable PG&E rates, because the PG&E rates have increased since the last rate revision in 1985. As mentioned above, those rate changes must be approved by the Board of Supervisors. The proposed increase in charges is as follows:

**BOARD OF SUPERVISORS**  
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	<u>Revenues Payable to Hetch Hetchy</u>		
	Gross Revenue Present Rates*	Gross Revenue Proposed Rates FY 1989-90	Gross Revenue Proposed Rates FY 1990-91
<u>Metered Municipal Activity</u>			
Civic Auditorium - Brooks Hall	\$300,000	\$350,000	\$360,500
Moscone Center	760,000	777,300	800,600
Candlestick Park	425,000	523,200	538,900
Yacht Harbor	122,000	135,460	139,500
Parking Authority	43,000	53,000	54,600
Public Works (Bridges, Tunnel, Traffic, Eng., etc.)	<u>901,040</u>	<u>993,290</u>	<u>1,023,100</u>
Total	\$2,551,040	\$2,832,250	\$2,917,200

\* Rates adopted by the San Francisco Public Utilities Commission on March 11, 1985.

The total annual percentage increase in the proposed revenues when compared to the present revenues is 11.02 percent for Fiscal Year 1989-90 and 14.35 percent for Fiscal Year 1990-91. The current average charge for hydroelectric power for the City Departments listed above is \$0.087 per kilowatt hour. The average rate would increase to \$0.0957 for Fiscal Year 1989-90 and to \$0.099 for Fiscal Year 1990-91.

3. The rates charged to the other City departments are charged on the basis of Hetch Hetchy's cost of producing and delivering hydroelectric power. Such rates would be \$0.02921 per kilowatt hour beginning with the billing month of July, 1989, as compared with the Fiscal Year 1988-89 rate of \$0.02915.

**Comments:**

1. According to Mr. Larry Klein of Hetch Hetchy, the PUC had not sought an increase in the PG&E pegged rates since 1985 because net increases in rates over this time period had been minimal. However, recently granted rate increases to PG&E now warrant an increase in the PG&E pegged rates to the six City departments listed above.

2. The rate increases in the proposed resolution are retroactive to July 1, 1989. The six City departments which pay the PG&E pegged rates are budgeted for electricity costs for Fiscal Year 1989-90 on the assumption that the proposed rate increases based on PG&E rates, as contained in this proposed resolution (File 278-89-1.1), would be approved. The total revenue increase from these departments payable to Hetch Hetchy for Fiscal Year 1989-90 would be \$281,210 and there would be an additional increase of \$84,950 in Fiscal

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Year 1990-91. The increase in revenues from the six private customers whose rates would be changed by this legislation would be approximately \$1,800 annually. These customers are Pacific Bell, California Fish & Game Department, Stanislaus National Forest, Moccasin Store, Moccasin Post Office and Evergreen Lodge.

3. The proposed resolution disapproving the revised schedule of rates (File 278-89-1.1) would also result in a bookkeeping change in the rate setting and billing process for all of the other City departments who are charged for Hetch Hetchy hydroelectric power at cost. Presently, Hetch Hetchy first calculates the rates charged to these City departments at the appropriate PG&E rates and then applies a discount to reduce the charges to the Hetch Hetchy cost of service. The proposed method would apply the Hetch Hetchy cost of service directly to calculating charges for Fiscal Year 1989-90 and thereafter. This proposed change would result in the same total amount of Hetch Hetchy revenues. However, the proposed change would lead to some large City Departments paying more for electricity but most City departments would pay less. All of these affected City departments have budgeted for these rate changes in Fiscal Year 1989-90. According to Mr. Klein this change in the rate setting and billing process is being sought to simplify Hetch Hetchy bookkeeping procedures.

4. The proposed resolution disapproving the revised schedule of rates (File 278-89-1.1) would also make future rate increases automatic for those City departments listed in Point 2 of the Description in lieu of requiring separate approval by the Board of Supervisors. According to Mr. Klein, this change is being sought so that rate increases for these six City departments, which pay rates pegged to the PG&E rates, can be raised automatically. Currently, only the rates for the Water Department, the Clean Water Program (CWP) and the Airport, which are pegged to the PG&E rates, are raised automatically without separate approval of the Board of Supervisors. This automatic rate-setting authority for the Water Department, CWP and the Airport was approved by the Board of Supervisors in 1982 in connection with the settlement of the Airport's electric rate litigation and revenue diversion litigation.

5. The Board of Supervisors can establish the proposed Hetch Hetchy electric rates by approving the proposed resolution finding that no General Fund subsidy would be required (File 278-89-1) and disapproving, by majority vote, the other proposed resolution (File 278-89-1.1). Such a disapproval of this latter proposed resolution would result in the approval of

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the requested Hetch Hetchy rate revisions. If the Board of Supervisors decides to approve the proposed resolution (File 278-89-1.1), thereby not concurring with the PUC's proposed rate changes, a two-thirds approval vote for the proposed rate change resolution would be needed.

6. The Budget Analyst concurs that approval of the proposed rate revisions would not result in a General Fund subsidy to Hetch Hetchy.

**Recommendations:** 1. Approve the proposed resolution (File 278-89-1) that makes a finding that no General Fund subsidy will be required as a result of the proposed increase in hydroelectric power rates.

2. The proposed resolution disapproving the proposed rate changes (File 278-89-1.1) is a policy matter for the Board of Supervisors because of the language eliminating the Board of Supervisor's separate authority to review and approve future rate changes for (a) the six City departments listed in point 2 of the Description, and (b) the six private customers listed in Comment No. 2 above.



Item 12 - File 101-89-21.2

**Department:** Department of Public Works (DPW)

**Item:** Request for Release of Reserve for ineligible costs to repair earthquake-damaged non-Federal Aid Urban (FAU) streets.

**Amount:** \$3,276,000

**Source of Funds:** 1987 Street Repair Bond Fund

**Description:** According to DPW, the October 17, 1989 earthquake damaged several hundred City streets, many of which are located off the Federal-aid Highway System and are not eligible for Federal-aid Urban (FAU) funds. However, the Federal Emergency Management Administration (FEMA) will provide disaster assistance funds to pay for up to 75 percent of all eligible costs associated with repairing earthquake-damaged streets located off of the Federal-aid Highway system. The remaining 25 percent match will be provided through the Natural Disaster Assistance Act recently approved by the State. Under the Act, the State will provide natural disaster assistance funds to pay for up to 100 percent of the City's 25 percent share. DPW has applied for these State and Federal funds in the amount of \$3,276,000 to cover the repair costs (see Budget Analyst's report to the Governmental Operations Committee of December 11, 1989 (Files 148-89-7 and 148-89-8). Both FEMA and State Disaster Assistance grants are paid as reimbursements upon completion of the repair projects.

On November 6, 1989, the Board of Supervisors approved a supplemental appropriation of \$12 million in 1987 Street Repair Bond funds, which included \$9,150,569 that was placed in reserve pending an assessment of the damage incurred from the October 17, 1989 earthquake. Of the \$9,150,569 reserved, \$739,000 has been released to repair earthquake-damaged FAU streets partially funded by Federal Highway Administration monies. This proposed resolution is a request for release of reserve in the amount of \$3,276,000 in 1987 Street Repair Bond funds to initially (prior to obtaining Federal and State reimbursements) pay for the repair projects for these non-FAU streets damaged by the earthquake. These funds will be reimbursed by FEMA and the State upon completion of the projects.

DPW expects that all estimated costs will not be eligible for FEMA and State disaster assistance funding, and as a result, the City would not be reimbursed entirely for the 1987 Street Repair Bond funds used in repairing the earthquake-

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damaged streets and structures. Such ineligible costs may include some administrative overhead costs, differences in the amount of construction materials used, and damages to City pavement and sidewalks that may have occurred prior to the earthquake.

FEMA has inspected the City's damaged streets and road structures and has identified 44 sites as being eligible for FEMA assistance totalling \$2,620,130 (See attachment). In addition DPW has estimated that approximately 25 percent more damage, or about \$655,870 in unforeseen costs, may exist below the surface of the roadway. Therefore, total estimated costs amount to \$3,276,000. The unforeseen costs, upon documentation, would be eligible for FEMA and State Natural Disaster Assistance funding.

Total costs and funding sources are summarized as follows:

<b>Estimated Damages:</b>	<b><u>Total Costs</u></b>
Damage to streets	\$2,589,330
Unforeseen damage to streets (25%)	647,333
Damage to road structures (such as bridges)	30,800
Unforeseen damage to structures (25%)	<u>7,700</u>
Total	\$3,275,163
Rounded to	\$3,276,000
 <b>Source of Funds:</b>	 <b><u>Total Sources</u></b>
FEMA funds	\$2,457,000
State Natural Disaster Assistance	<u>819,000</u>
Total	\$3,276,000

**Comments:**

Mr. Vitaly Troyan of DPW estimates that between 5 and 25 percent of the total estimated costs of the repairs may be classified as ineligible for reimbursement by FEMA. Therefore, the actual cost to the City is estimated to be between \$163,800 and \$819,000 to repair all of the estimated costs of \$3,276,000 for the earthquake damage related projects listed. Those costs declared ineligible would be drawn from the reserves released, under this request, from the 1987 Street Repair Bond Fund.

**Recommendation:** Approve the request for release of reserve in the amount of \$3,276,000.

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## EARTHQUAKE DAMAGE ASSESMENT

Road System  
C1 Streets (Non FAU)

LINE ITEM NO.	SITES	ESTIMATED DAMAGES*
C1-1	AVILA STREET, CHESTNUT ST TO MARINA BLVD	\$187,000
C1-2	BAKER STREET, JEFFERSON ST TO MARINA BLVD	\$2,400
C1-3	BAY STREET, BAKER ST TO SCOTT ST	\$152,500
C1-4	BEACH STREET, BAKER ST TO BUCHANAN ST	\$326,000
C1-5	BERRY STREET, 5TH TO 6TH STS	\$37,000
C1-6	BRODERICK STREET, CHESTNUT ST TO MARINA BLVD	\$152,400
C1-7	CAPRA WAY, SCOTT ST TO MALLORCA WAY	\$54,000
C1-8	CASA WAY, RETIRO WAY TO MARINA BLVD	\$15,000
C1-9	CLINTON PARK, GUERRERO TO VALENCIA STS	\$630
C1-10	ELGIN PARK, McCOPPIN TO DUBOCE STS	\$0
C1-11	15TH STREET, FOLSOM TO HARRISON STS	\$37,600
C1-12	FILLMORE STREET, BAY ST TO MARINA BLVD	\$400,000
C1-13	FRANCISCO STREET, BAKER ST TO SCOTT ST	\$77,400
C1-14	JEFFERSON STREET, BRODERICK ST TO WEBSTER ST	\$135,500
C1-15	MALLORCA WAY, BEACH ST TO ALHAMBRA ST	\$48,500
C1-16	NORTH POINT STREET, BAKER ST TO BUCHANAN ST	\$254,000
C1-17	PARK STREET, HANDOVER TO SAN JOSE	\$0
C1-18	PIERCE STREET, CHESTNUT ST TO BEACH ST	\$175,500
C1-19	PRADO WAY, SCOTT ST TO CERVANTES ST	\$13,400
C1-20	RETIRO WAY, BEACH ST TO FILLMORE ST	\$7,400
C1-21	RICO WAY, AVILA ST TO RETIRO WAY	\$104,000
C1-22	SCOTT STREET, CHESTNUT ST TO MARINA BLVD	\$210,200
C1-23	SPEAR STREET, MISSION TO HOWARD STS	\$40,900
C1-24	WEBSTER STREET, JEFFERSON ST TO BAY ST	\$158,000
	S U B T O T A L	\$2,589,330
	CONTINGENCY, UNFORESEEN WORK(25%)	\$647,333
	T O T A L ( S T R E E T S )	\$3,236,663

\* INCLUDES DESIGN AND CONSTRUCTION MANAGEMENT COSTS



EARTHQUAKE DAMAGE ASSESSMENT  
ROAD SYSTEM  
C3 BRIDGES  
C4 OTHER (ROAD STRUCTURES)

LINE ITEM NO.	SITES	ESTIMATED DAMAGES*
C3-1	FAITH STREET, HOLLADAY AVE TO BAYSHORE BLVD	\$1,000
C3-2	WHIPPLE AVE, SAN JOSE AVE TO FARALLONES ST	\$1,500
C3-5	INTERSECTION OF ARMY AND HAMPSHIRE STREETS	\$300
C3-6	INTERSECTION OF SAN JOSE AND ST MARY'S AVENUES	\$1,000
C4-1	INTERSECTION OF CLAYTON ST AND ASHBURY HT	\$1,500
C4-2	GOLDEN GATE HT	\$2,000
C4-3	DETROIT STREET, MONTEREY BLVD TO HEAR ST	\$1,500
C4-4	HOLLADAY AVENUE, BAYSHORE BLVD TO PERALTA ST	\$1,000
C4-5	HOLLADAY AVENUE, ADAM TO PERALTA STS	\$500
C4-6	PERALTA STREET, YORK TO HOLLADAY STS	\$1,000
C4-7	SOUTHERN HEIGHTS AVE, RHODE IS TO CAROLINA STS	\$2,000
C4-8	CAROLINA STREET, 22ND TO 23RD STS	\$1,500
C4-10	FARNSWORTH LANE, EDGEWOOD TO WILLARD STS	\$2,000
C4-11	CASITAS AVENUE	\$4,000
C4-12	OPALO LANE	\$1,000
C4-13	CHILTON AVENUE	\$500
C4-14	BURNETT AVENUE	\$2,000
C4-15	BISHOP STREET, ANKENY TO HARKNESS STS	\$1,500
C4-17	BROADWAY AVE, MASON TO LARKIN STS	\$5,000
C4-24	VARIOUS STREET LOCATIONS	NA
C4-25	EMBARCADERO SEAWALL	NA
	SUB-TOTAL	\$30,800
	CONTINGENCY, UNFORESEEN WORK (25%)	\$7,700
	TOTAL (BRIDGES & ROAD STRUCTURES)=	\$38,500
		\$3,275,163
	G R A N D T O T A L =	S A Y \$3,276,000

\* INCLUDES DESIGN AND CONSTRUCTION MANAGEMENT COSTS



Item 13 - File 53-89-4

**Department:** Department of Public Works (DPW)  
Clean Water Program (CWP)

**Item:** The proposed resolution would find and determine that the Mariposa Transport/Storage facilities will protect and preserve the environment and that the use of State loan funds is the most cost-effective method of financing these facilities.

The proposed resolution would also authorize the Director of Public Works, the Clerk of the Board of Supervisors, City Attorney and City Controller to apply for and enter into loan agreements with the State of California not to exceed \$9 million to finance the construction costs of the Mariposa Transport/Storage facilities. The City officials would also be authorized to accept and use these loan funds.

**Amount:** \$9 million in State Loan Funds

**Source of Funds:** State of California  
Water Resource Control Board

**Project:** Construction of the Mariposa Transport/Storage facilities. The Board of Supervisors has previously approved the construction of similar storage/transport facilities throughout the City to carry effluent to various water pollution treatment facilities.

**Description:** The purpose of the proposed Mariposa Transport/Storage facilities is to pump, transport and store effluent from the Mariposa area of the City (between Mariposa and 23rd Streets) for eventual treatment at the Southeast Water Pollution Control Plant, which will result in enhancement and protection of San Francisco Bay. The proposed transport/storage facilities include a 25 feet high, 10 feet wide and 360 feet long transport/storage structure, three pump stations and connecting sewer mains.



The estimated total construction costs for the Mariposa Transport/Storage facilities are as follows:

Construction Costs

Construction	\$8,050,000
Construction Contingency (10%)	805,000
Non-construction costs*	<u>805,000</u>
Total Funds Required	\$9,660,000

\* Includes costs for on-site inspections, change orders, facilities start-up, permits, surveys, and other miscellaneous costs.

The proposed funding sources for the Mariposa Transport/Storage facilities are as follows:

Construction Financing

Estimated Construction Costs	\$9,660,000
Less proposed loans (This item)	<u>9,000,000</u>

Amount which would be funded, if  
needed, by the use of Sewer Revenue  
Bonds, previously approved by the  
Board of Supervisors\* \$660,000

\* 1964, 1968, 1970, 1972, 1976, 1988A Surplus, and 1988B Sewer Revenue Bond Funds.

The City, in accordance with City Charter Section 7.300(b) approved by the voters in November, 1988 (File 271-88-1), may seek State loan funds for such purposes as protecting and preserving the environment (which is the purpose of the Mariposa Transport/Storage facilities) if such borrowing would be the most cost effective method of financing. Charter Section 7.300(b) requires that the Board of Supervisors determine that obtaining a State loan is the most cost-effective financing method based on a recommendation by the Chief Administrative Officer (CAO).



The CAO has advised the Board of Supervisors that a State loan of \$9 million is available from the Water Resource Control Board at an estimated interest rate of 3.22% and is the most cost-effective method of securing financing for the proposed Oceanside Water Pollution Control Plant Project. Based on a twenty-year amortization schedule prepared by the CAO comparing a State loan with a 3.22% interest rate, a General Obligation Bond at 7.4% and a revenue bond at 7.5%, the City would save over \$5 million by obtaining a State loan over a twenty-year period, as follows:

<u>Description</u>	<u>Total Cost over 20 years</u>	<u>Savings by Obtaining a State Loan</u>
State Loan	\$12,346,253	0
General Obligation Bonds	\$17,557,580	\$5,211,327
Revenue Bonds	\$18,118,832	\$5,772,579

The City would repay this proposed State loan at the rate of \$617,300 annually upon completion of construction. The source of this loan repayment would be the sewer service charge. The actual cost of the proposed State loans may vary because the actual loan rate would be determined at the time the loan is actually made. This proposed construction project has been included in the Clean Water Program's five-year operations and construction plan which is the basis for setting sewer service charges (File 21-89-1).

**Comments:**

1. The CWP and CAO have estimated that substituting \$9 million in State loans at 3.22% for revenue bonds at 7.5% interest would save \$288,629 annually in debt service (\$5,772,579 over 20 years). The CWP advises that the substitution of State loans for revenue bonds would save the average residential household rate payer approximately \$.04 of monthly service charges in FY 1991-92.

2. The City has received a cease and desist order from the State Regional Water Quality Control Board to achieve full compliance with State and Federal water quality requirements by June, 1994.



3. Approval of this item would authorize the City, through the Director of Public Works and other City officials, to enter into up to \$9 million in loan agreements with the State. However, should the State not have the entire \$9 million available in loans for this project, the CWP would use funding from the sale of Sewer Revenue Bonds already approved by the Board of Supervisors, in order to complete the project.

4. Although the proposed resolution would authorize acceptance and use of State Loan funds, Mr. Bob Kenealey, City Attorney's Office, states that approval by the Board of Supervisors would be required to expend these funds.

5. The use of these proposed loan funds is to protect and preserve the environment by improving the treatment of raw sewage and decreasing the amount of untreated sewage that passes into the bay during the rainy season, by the construction of this transport/storage facility, as required by the State's cease and desist orders.

6. The construction schedule for the Mariposa Transport/Storage facilities is as follows:

Award Construction Contract	July, 1990
Begin Construction	August, 1990
Complete Construction	February, 1992
Start Operation	February, 1992

7. Based on our review of the CAO's analysis to use a State loan for this project, the Budget Analyst concurs that such a loan program would be the most cost-effective method to secure funding for the project.

**Recommendation:** Approve the proposed resolution.



Item 14 - File 53-89-5

**Department:** Department of Public Works (DPW)  
Clean Water Program (CWP)

**Item:** The proposed resolution would find and determine that the Oceanside Water Pollution Control Plant will protect and preserve the environment and that the use of State loan funds is the most cost-effective method of financing these facilities.

The proposed resolution would also authorize the Director of Public Works, the Clerk of the Board of Supervisors, the City Attorney and City Controller to apply for and enter into loan agreements with the State of California not to exceed approximately \$85 million to finance a portion of the construction costs of the Oceanside Water Pollution Control Plant. These City officials would also be authorized to accept and use these loan funds.

**Amount:** \$85 million in State Loan Funds

**Source of Funds:** State of California  
Water Resource Control Board

**Project:** Construction of the Oceanside Water Pollution Control Plant. The Board of Supervisors has previously approved the construction of storage/transport facilities to carry effluent to the plant and transport treated sewage into the Pacific Ocean.

**Description:** The purpose of the Oceanside Water Pollution Control Plant is to replace the existing Richmond/Sunset Water Pollution Control Plant. The Richmond/Sunset Plant would be deactivated and razed upon the completion and subsequent operation of the Oceanside Plant. The Oceanside Plant is located on land adjacent to the San Francisco Zoo.

The total estimated construction costs for the Oceanside Water Pollution Control Plant are as follows:

Construction Costs

Construction	\$180,400,000
Construction Contingency (5%)	9,020,000
Non-construction costs*	<u>16,838,664</u>
Total Funds Required	\$206,258,664

\*Includes costs for on-site inspections, change orders, facilities start-up, permits, surveys, software development, and other miscellaneous costs.

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Funds for the total estimated construction costs of \$206.3 million were previously appropriated by the Board of Supervisors in September, 1989 (File 101-89-24). The Controller's Office has certified available funds from the following sources to fund this project:

1964, 1968, 1970, 1972, 1976, 1988A surplus,	
1988B Sewer Revenue Bond Funds	\$134,759,799
General Obligation Bond Interest Income	2,332,199
Federal and State Grants	29,166,666
State Loan Fund*	<u>40,000,000</u>
Total Funds Available	\$206,258,664

\* The Board of Supervisors previously authorized CWP to apply for \$60 million in State loans (File 53-89-1) but only \$40 million have actually been applied for so far. The proposed \$85 million in new loans when added to the \$20 million in loans previously approved but not previously applied for (totalling \$105 million), would be used to decrease the amount funded by Sewer Revenue Bond funds from \$134.8 million to \$29.8 million.

The City, in accordance with City Charter Section 7.300(b) approved by the voters in November, 1988 (File 271-88-1), may seek State loan funds for such purposes as protecting and preserving the environment (which is the purpose of the Oceanside Water Pollution Control Plant) if such borrowing would be the most cost effective method of financing. Charter Section 7.300(b) requires that the Board of Supervisors determine that obtaining a State loan is the most cost-effective financing method based on a recommendation by the Chief Administrative Officer (CAO).

The CAO has advised the Board of Supervisors that a State loan of \$85 million is available from the Water Resource Control Board at an estimated interest rate of 3.22% and is the most cost-effective method of securing financing for the proposed Oceanside Water Pollution Control Plant Project. Based on a twenty-year amortization schedule prepared by the CAO comparing a State loan with a 3.22% interest rate, a General Obligation Bond at interest rate a 7.4% interest rate and a revenue bond at a 7.5% interest rate, the City would save between \$49.2 million and \$54.5 million by obtaining a State loan over a twenty-year period, as follows:



<u>Description</u>	<u>Total Cost over 20 years</u>	<u>Savings by Obtaining a State Loan</u>
State Loan	\$116,603,501	0
General Obligation Bonds	\$165,821,586	\$49,218,085
Revenue Bonds	\$171,122,302	\$54,518,801

The City would repay the proposed State loans at the rate of \$5.83 million annually upon completion of construction. The source of this loan repayment would be the sewer service charge. The actual cost of the proposed State loans may vary because the actual loan rate would be determined at the time the loan is actually made. This proposed construction project has been included in the Clean Water Program's five-year operations and construction plan which is the basis for setting sewer service charges (File 21-89-1).

The CWP has developed sewer service cost projections for the construction of the Oceanside Water Pollution Control Plant which exclusively use revenue bonds for financing. The CWP and the CAO have estimated that substituting the previously approved \$60 million in State loans at 3.6% interest and the proposed \$85 million in State loans at 3.22% for revenue bonds at 7.5% interest would save \$4.51 million (\$6.04 million less \$4.26 million and \$8.56 million less \$5.83 million) per year in debt service. The CWP advises that the substitution of State loans for revenue bonds would save the average residential household rate payer approximately \$.36 per month, of monthly service charges in fiscal year 1991-92.

**Comments:**

1. The Oceanside Water Pollution Control Plant was previously known as the Southwest Water Pollution Control Plant.
2. The CWP has already received Federal and State grants of \$29.2 million for this project, and has an application with the State for a loan of \$40 million (a portion of the \$60 million in loans previously approved for this project) from the Water Resources Control Board. The CWP will apply for other loans for this project in 1990.
3. The Board of Supervisors has previously approved the following legislation on this project:

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<u>Description</u>	<u>File</u>	<u>Date Approved</u>
Appropriation of funds for design work	101-87-17	February, 1988
Approval of Environmental Impact Report and facilities plan	221-88-1.1	March, 1988
Appropriation of funds for final design work	101-87-89	June, 1988
Appropriation of funds to construct earth berm and sound barrier fence	101-88-56	January, 1989
Authorization to enter into loan agreements with the State to assist in financing the construction	53-89-1	February, 1989
Appropriation of funds to construct plant	101-89-24	September, 1989

4. The City has received a cease and desist order from the State Regional Water Quality Control Board to achieve full compliance with State and Federal water quality requirements by June, 1994.

5. Approval of this item would authorize the Director of Public Works and other City officials to enter into a total of up to \$145 million in loan agreements with the State (\$40 million previously approved and applied for, \$20 million previously approved but not applied for and the proposed \$85 million). However, should the State not have the total \$145 million available in loans for this project, the City would use funding from the sale of Sewer Revenue Bonds already approved by the Board of Supervisors in order to complete the project.

6. Although the proposed resolution would authorize acceptance and use of the State Loan Funds, Mr. Bob Kenealey of the City Attorney's Office, states that approval by the Board of Supervisors would be required to expend the proposed loan funds to replace previously appropriated Sewer Revenue Bond Funds.

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7. The use of these proposed loan funds is to protect and preserve the environment, by improving the treatment of raw sewage and decreasing the amount of untreated sewage that passes into the ocean by the construction of the Oceanside plant, to replace the Richmond/Sunset plant, as required by the State's cease and desist orders.

8. Based on our review of the CAO's analysis to use a State loan for this program, the Budget Analyst concurs that such a loan program would be the most cost-effective method to secure financing for the project.

9. The construction schedule for the Oceanside plant is as follows:

Award construction contract	November, 1989
Begin construction	January, 1990
Complete construction	July, 1993
Start Operation	January, 1994

Although construction of the Oceanside plant is scheduled to be completed in July, 1993, the plant is not scheduled to begin operation until January, 1994, because computer software must be designed and put into use and the facilities required to transport raw sewage to the new plant (instead of the Richmond/Sunset Plant) must be constructed and put into operation.

**Recommendation:** Approve the proposed resolution.



Items 15 and 16 - Files 101-89-59 and 102-89-23

**Department:** Department of Public Health (DPH),  
Central Office

**Items:** Supplemental Appropriation Ordinance for permanent salaries and mandatory fringe benefits, temporary salaries, medical service contracts and other operating expenses for the creation of eight positions (File 101-89-59).  
  
Annual Salary Ordinance amendment reflecting the addition of eight positions (File 102-89-23).

**Amount:** \$167,108

**Source of Funds:** General Fund Reserve for Grant Matches Established in 1989-90 Budget

**Description:** The proposed amendment to the 1989-90 Salary Ordinance (File 102-89-23) would add eight positions. The proposed new positions, which will be reviewed at a future meeting of the Civil Service Commission, are as follows:

<u>No. Class/Title</u>		<u>1989-90</u> <u>Biweekly</u> <u>Salary</u>	<u>1989-90</u> <u>Annual</u> <u>Salary</u>
<u>Permanent Salaries</u>			
1	2230 Physician Specialist (part-time)	\$2,459 - \$2,989	\$63,934 - \$77,714
1	2587 Health Worker III	912 - 1,104	23,712 - 28,704
2	2920 Medical Social Worker	1,349 - 1,634	35,674 - 42,484
<u>Temporary Salaries</u>			
4	2906 Social Worker Trainee (part-time)	990 - 990	25,740 - 25,740

At the top step, the eight positions to be added, would cost \$294,346 in annual salary costs. However, five of the eight positions are part-time positions, including one 2230 Physician Specialist and four 2906 Social Worker Trainee positions, and therefore, the annual salary costs would depend on the number of hours budgeted for the positions.

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The proposed Supplemental Appropriation Ordinance (File 101-89-59) would appropriate \$167,108 for permanent salaries and mandatory fringe benefits, temporary salaries, medical service contracts, use of employees car, other services, telephone, materials and supplies and services of other departments for the creation of eight positions for the six month period from January 1, 1990 through June 30, 1990, as follows:

Permanent Salaries - Misc.	\$68,309
Temporary Salaries	3,750
Mandatory Fringe Benefits	18,496
Medical Service Contract	64,793
Use of Employees Car	360
Other Services	1,000
Telephone	150
Materials and Supplies	250
Services of Other Departments	<u>10,000</u>
Total Appropriation	\$167,108

**Comments:**

1. On November 20, 1989, the Board of Supervisors Governmental Operations Committee considered a resolution authorizing the Department of Public Health (DPH) to apply for, accept and expend a Federal McKinney Homeless Assistance grant of \$929,139 to continue the provision of Homeless Primary Care and Substance Abuse Services (Healthcare for the Homeless). This item was continued pending the submission of a supplemental appropriation request for \$167,108 (this item) which is needed to meet the pending grant's local match requirements.

2. The Federal grant would fund the City's share of a collaborative effort between the DPH and the San Francisco Community Clinic Consortium (SFCCC). The Healthcare for the Homeless program provides comprehensive primary health care, social services and substance abuse services to homeless persons in San Francisco through a network of eight community-based health clinics, including the City-operated Tom Waddell Clinic. During 1990, the project will expand to include services to homeless people with HIV disease and tuberculosis, those in need of podiatry and dermatological services, and specialized services to families, women, youth and seniors.



3. The DPH is applying for a grant in the amount of \$929,139 for the twelve month period from January 1, 1990 through December 31, 1990. The grant requires a one-third, or \$464,570 match of total project costs of \$1,393,709. For the six-month period from January 1, 1990 through June 30, 1990, the DPH expects to provide a local match of \$232,285 (\$464,570 ÷ 2), consisting of \$65,177 in previously budgeted FY 1989-90 DPH funds and \$167,108 from the proposed supplemental appropriation as follows:

	<u>Positions</u>	<u>FTE</u>	
<u>Permanent Salaries</u>			
Medical Social Worker	2	1.0	\$36,764
Two medical social workers would provide additional social support services, advocacy services for the homeless, and information services to service providers regarding homeless social work. The program currently has 3.0 FTE medical social workers and 1.0 FTE senior medical social workers.			
Physician Specialist (part-time)	1	0.25	18,506
One 0.5 FTE physician specialist would provide additional medical services at clinics providing specialty services for HIV disease, chemical dependency and women's needs. The Program currently has four nurse practitioners and no physician specialists.			
Health Worker III	1	0.5	<u>13,039</u>
One health worker would serve as a health triage worker and clinic coordinator to manage patient flow for social services, outreach and mental health services at the Tom Waddell Clinic. The Program currently has no health workers.			
Subtotal Permanent Salaries			\$68,309
<u>Temporary Salaries</u>			
Social Worker Trainees (part-time)	4	1.0	3,750
Four part-time, temporary social worker trainees would provide additional social work support services. As noted earlier, the Program currently has 3.0 FTE medical social workers and 1.0 FTE senior medical social worker.			
Subtotal Positions/FTE	<u>8</u>	<u>2.75</u>	

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Mandatory Fringe Benefits

18,496

Medical Service Contracts

Bayview Hunters Point Foundation

Case Manager/Therapist \$51,393

Three case managers/therapists would be added through the Bayview Hunters Point contract to provide crisis intervention, therapy and case management to 500 youths per year at the Larkin Street multi-service center, the Diamond Street Youth Shelter and the Hospitality House. The program currently has 5.0 FTE case managers/therapists.

18th St. Services

Outreach Worker

13,400

One outreach worker would be added to the 18th Street Services contract to provide additional services to contract and recruit homeless youths. The Program currently has 8.0 FTE outreach workers.

Subtotal Medical Services Contracts

64,793

Operating Expenses

Use of Employee Car for Local travel \$ 360

Other Services (bus tokens) 1,000

Telephone (2 pagers) 150

Materials and Supplies (books and education) 250

Services of Other Departments

MIS - Data Processing 2,500

SFGH - Dental Lab 7,500

Subtotal Operating Expenses

11,760

Total Proposed Supplemental Appropriation  
for Grant Match

\$167,108

**BOARD OF SUPERVISORS**  
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**Previously Budgeted Funds - FY 1989-90**

	<u>FTE</u>	
<u>Salaries</u>		
Medical Social Worker	0.5	\$18,382
<u>Mandatory Fringe Benefits</u>		5,330
<u>Capital Expenditures</u> - State-funded		
renovation for the Tom Waddell Clinic		<u>41,465</u>
Total Previously Budgeted Funds		<u>\$65,177</u>
 Grand Total Local Match		 <u>\$232,285</u>

To complete the required match of \$464,570 for the calendar year 1990, an additional \$232,285 would be required to be included in the DPH's FY 1990-91 budget.

4. According to Mr. Milligan, the McKinney Homeless Assistance grant funds could be expected to continue for a minimum of three years.

5. The balance remaining in the General Fund - Restricted Reserve Fund, Grant Match Reserve, should the proposed supplemental appropriation be approved, would be \$832,892 (\$1,000,000 less this request of \$167,108).

6. According to Mr. Fred Milligan of DPH, the DPH's Healthcare for the Homeless program was funded from 1985 to 1988 by grant monies from the Robert Wood Johnson/Pew Memorial Trust (RWJ) Fund. In 1989, the program was funded by \$591,807 from the McKinney Homeless Assistance grant, \$197,269 from the City's in-kind match, and an additional amount, which the DPH is currently unable to determine, from the RWJ Fund which was carried forward from 1988. Mr. Milligan indicates that the pending grant amount of \$929,139 would provide funding to 1) maintain the program's 1989 level of services, 2) fund salary standardization, and 3) fund the nurses MOU increases as previously approved by the Board of Supervisors. In response to Budget Analyst inquiries, Mr. Milligan reports that the total project budget of \$1,393,709 has been determined by first determining the grant amount required to maintain the existing level of program services (\$929,139) and then calculating the City's required match of \$464,570. This method of project budgeting would increase the program by 50 percent over the existing level of services. Increasing healthcare services to the homeless to this level is a policy matter for the Board of Supervisors.

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7. During 1989, Mr. Milligan estimates that the Healthcare for the Homeless Program will have provided approximately 12,000 client consultations of medical, mental health and social services to 5,000 persons (client count). The DPH anticipates that additional funding from the proposed supplemental appropriation, if approved, would allow the DPH to provide approximately 4,000 additional client consultations to 1,000 additional persons during 1990.

8. Mr. Milligan indicates that the DPH is uncertain as to whether the DPH will receive the entire grant amount of \$929,139. If the grant award is less than \$929,139, the amount of the City's required match would be less than \$464,570. Mr. Milligan states that if the proposed supplemental appropriation were approved and the DPH is not awarded the entire \$929,139 grant amount, the DPH will use the supplemental funds to first maintain the level of services included in the grant budget, and then, at their own discretion, select the positions and services to be augmented with the remaining available funds. The Budget Analyst believes that the Board of Supervisors should review and approve any revisions to the proposed supplemental appropriation. According to Mr. Milligan, the DPH expects the Federal grant agency to notify DPH of the actual grant award by December 15, 1989. Therefore, this item should be continued pending notification to DPH of the actual grant award, and submission by DPH to the Finance Committee of revisions to the proposed supplemental appropriation budget and proposed salary ordinance amendment, if any.

**Recommendation:** Continue these items (Files 101-89-59 and 102-89-23), pending notification to DPH of the actual grant award, and submission by DPH to the Finance Committee of revisions to the proposed supplemental appropriation budget and proposed salary ordinance amendment, if any.



Items 17 and 18 - Files 101-89-65 and 102-89-25

- Department:** Department of Public Health (DPH),  
Central Office
- Items:** Supplemental Appropriation Ordinance for permanent salaries and mandatory fringe benefits, and other operating expenses for the creation of eleven positions (File 101-89-65).
- Annual Salary Ordinance amendment reflecting the addition of fourteen positions and the deletion of two positions (File 102-89-25).
- The DPH has informed the Budget Analyst that the Supplemental Appropriation Ordinance and the Annual Salary Ordinance amendment should reflect the addition of ten positions and the deletion of two positions. However, as of the writing of this report, the Budget Analyst has only had sufficient time to make a cursory analysis of the DPH revisions, which still contain some discrepancies that must be resolved with the DPH before a full report can be published.
- Amount:** \$241,202
- Source of Funds:** General Fund - General Reserve
- Comment:** As noted above, the Budget Analyst cannot publish a complete and accurate report of these items at this time. Until our analysis is completed these items should be continued to the Call of the Chair.
- Recommendation:** Continue the proposed items to the Call of the Chair until the Budget Analyst can finalize the analysis of these items.



Item 19 - File 101-88-95.4

**Department:** Juvenile Court

**Item:** Request to release a reserve

**Amount:** \$258,220

**Source of Funds:** \$742,163 in State Outer Continental Shelf Lands Act (OCLSA) Funds previously appropriated (File 101-88-95) by the Board of Supervisors, of which a total of \$694,420 was reserved.

**Description:** In March 1989, the Board of Supervisors approved the appropriation of \$742,163 of State OCLSA funds to develop plans for a new juvenile justice facility, various community-based programs, a detention screening system and an evaluation system. Of the \$742,163 appropriated, \$694,420 was reserved pending submission of details as to the consultants selected, their hours, hourly rates and their Minority Business Enterprise (MBE)/Women Business Enterprise (WBE) status. The reserved amount of \$694,420 included \$222,220 for a Master Facility Plan and Bond Program Report and \$36,000 for a liaison/resource specialist consultant for the pre-placement project (These two segments of the reserved funds total \$258,220). The Juvenile Court now proposes the release of \$258,220 to modify an existing contract with The Jefferson Company (formerly known as Jefferson Associates, Inc.) to include the preparation of a Master Facilities Plan and Bond Program Report and to provide a liaison/resource specialist consultant.

A Master Facilities Plan for a new juvenile justice facility is proposed to be contracted through the Department of Public Works (DPW), Bureau of Architecture, to The Jefferson Company. The Jefferson Company would determine the optimum building size, review the current site and alternative locations, analyze development options (site selection and evaluation based on juvenile justice system goals and objectives), prepare schematic designs, environmental assessments and funding plans for each option and recommend alternative uses for the existing Youth Guidance Center site if the preferred option for the new juvenile justice facility is at another location. The Jefferson Company would also produce a Bond Program Report for a new juvenile justice facility. The Bond Program Report would review the Master Facilities Plan, present the preferred development option, develop a detailed statement on the need for the project, the work to be completed and estimates of the capital, operating and maintenance costs.

**BOARD OF SUPERVISORS**  
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The Jefferson Company's charges for the Master Facilities Plan and the Bond Program Report are as follows:

Project Management	\$36,120
Optimum Building Size Determination	30,100
Operations Analysis and Architectural Program Preparation	37,000
Development Options Analysis and Site Plans Preparation	69,000
Environmental Assessment Preparation	25,000
Funding Plan Development	<u>25,000</u>
Total Estimated Costs - Master Facility Plan/ Bond Program Report	\$222,220

The Juvenile Court and Juvenile Probation Department are currently working with the San Francisco Boys Home to develop an eight-bed group home. They are proposing to contract with The Jefferson Company for liaison and resource specialist services for matching difficult to place youth with alternative long term facilities and homes to prevent the housing of these youth in juvenile hall. The Jefferson Company would coordinate with the Probation Office in arranging additional payments to the group home or other facility, depending on the individual youth, the contractor and the facility accepting the youth. A single Jefferson employee would perform this task for a total cost of \$36,000 to provide a liaison/resource specialist consultant.

**Comments:**

1. The Juvenile Court's letter requesting this release of reserve incorrectly stated the amount of \$256,220 or \$2,000 less than the actual reserved amount of \$258,220.
2. As of the writing of this report the Juvenile Court has not been able to obtain details of The Jefferson Company's professional consultant hours and rates to be financed by the proposed release of reserve. Therefore, the Juvenile Court requests that this item be continued until those details become available.

**Recommendation:** Continue this item to the Call of the Chair as requested by the Juvenile Court.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 20 - File 31-89-27

**Department:** Port of San Francisco

**Item:** Resolution approving the immediate filling of a vacant position in accordance with Section 10 Subsection 1 of the Annual Appropriation Ordinance.

**Position:** 1934 Storekeeper

**Annual Salary at Top Step:** \$29,666

**Retirement Date:** January 15, 1990

**Normal Refill Date:** May 29, 1990

**Funding Needed:** \$10,383

**Proposed Source of Funding:** Surplus Salary Savings

**Description:** Section 10 of the Annual Appropriations Ordinance permits immediate filling of a position left vacant due to death or retirement of an incumbent when a lump sum payment is made for accumulated sick and vacation leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the Department Head, Civil Service Commission and the Mayor and approval by resolution of the Board of Supervisors.

**Comments:**

1. A 1934 Storekeeper, assigned to the Port's Finance and Administration Division, will retire on January 15, 1990 and is projected to be paid for 91 days of accumulated vacation and sick leave, which prevents refilling this position before May 29, 1990, unless this proposed resolution is approved.
2. Mr. Ben Kutnick, Fiscal Officer of the Finance and Administration Division of the Port, reports that the proposed immediate filling of the 1934 Storekeeper position is particularly necessary at this time because a 1926 Senior Materials and Supplies Supervisor position, which is responsible for supervising and training the Storekeeper position, plans to retire in March, 1990. If this proposed immediate fill is not approved, the Port would have vacancies in the only two positions that order, stock and issue most of the Port's supplies and perform other duties for the Port.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



3. In addition to the two positions being vacant at the same time, the Port would lose the benefit of continuity and training which could be provided to the new 1934 Storekeeper by the existing 1926 Senior Materials and Supplies Supervisor.

4. On line 4 of the proposed resolution there is a reference to "Section 21" of the current Annual Appropriation Ordinance. This should refer to "Section 10, Subsection 1" of the current Annual Appropriation Ordinance.

**Recommendation:** Amend line 4 of the proposed resolution to read "Section 10, Subsection 1" instead of "Section 21" and approve the proposed resolution as amended.



Item 21 - File 31-89-28

**Department:** Purchasing Department

**Item:** Resolution approving the immediate filling of a vacant position in accordance with Section 10, Subsection 1 of the Annual Appropriation Ordinance.

**Position:** 7258 Maintenance Machinist Supervisor I

**Annual Salary:** \$56,628

**Retirement Date:** October 27, 1989

**Normal Refill Date:** March 16, 1990

**Requested Refill Date:** December 19, 1989

**Funding Needed:** \$13,669 (63 days @ \$216.97)

**Proposed Funding Source:** Salary Savings Surplus from Permanent Salaries

**Description:** Section 10 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, Civil Service Commission and the Mayor and approval by resolution of the Board of Supervisors.

**Comments:**

1. The Maintenance Machinist Supervisor I retired from the Purchasing Department's Central Shops Division effective October 27, 1989 and was paid for 100.6 days of accumulated vacation and sick leave which would prevent refilling this position before March 16, 1990 unless this resolution is approved.
2. The Purchasing Department reports that this position is essential to the ongoing operations of the Central Shops Division. The position is directly responsible for supervising the work of 12 employees involved in several major projects which include: the Fire Department high pressure system project, the Public Works sewage pump overhaul project, and the Fire Department firehouse door maintenance project.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
December 13, 1989

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 22 - File 31-89-29

**Department:** Controller

**Item:** Resolution approving the immediate filling of a vacant position in accordance with Section 10, Subsection 1 of the Annual Appropriation Ordinance

**Position:** 1881 Assistant Director, Controller's Office

**Annual Salary:** \$87,331

**Retirement Date:** November 24, 1989

**Normal Refill Date:** May 23, 1990

**Requested Refill Date:** December 19, 1989

**Funding Needed:** \$37,141 (111 days @ \$334.60)

**Proposed Funding Source:** Salary Savings Surplus from Permanent Salaries

**Description:** Section 10 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, Civil Service Commission and the Mayor and approval by resolution of the Board of Supervisors.

**Comments:**

1. The Assistant Director of the Controller's Information Services Division, retired effective November 24, 1989 and was paid 127 days of accumulated sick leave which would prevent refilling this position before May 23, 1990 unless this resolution is approved.
2. The Controller's Office reports that this position is a key member of the Information Services Division (ISD) senior management team and is responsible for a budget of approximately \$11 million and oversees a staff of approximately 138 employees. The position is responsible for the twenty-four hour, seven-day-per-week operation of the ISD City Hall and Hall of Justice Data Centers, telecommunications networks and key application systems such as FAMIS, Citywide payroll, Social Services and property taxes.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
December 13, 1989

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 23 - File 97-89-57

1. The proposed ordinance would amend Chapter 10 of the Administrative Code by adding Section 10.6-3, directing the Controller to audit on a quarterly basis the accounts of the Treasurer.

2. Proposition J, a Charter Amendment amending Charter Section 3.303, was approved by the voters of San Francisco on November 7, 1989. Under the amendment, the frequency of the Controller's audit of monies deposited in the City's Treasury was changed from monthly to the frequency as set forth in State law.

3. Sections 26920, 26921, and 26923 of the Government Code of the State of California permit the Controller to audit the Treasurer at least once each quarter or more frequently at the Controller's discretion. In order to implement this procedure, a four-fifths vote of the Board of Supervisors is required.

4. The Controller's Office supports the proposed ordinance. Mr. Young Choi of the Controller's Office states that the State of California conducts quarterly audits of the State Treasurer and that a quarterly audit of the City Treasurer would be sufficient to protect the City.

Recommendation

Approve the proposed ordinance.



Item 24 - File 101-89-34.1

**Department:** Public Library

**Item:** Request for release of reserve

**Amount:** \$175,000

**Source of Funds:** 1988 Library Improvement Bond funds

**Description:** In October of 1989, the Board of Supervisors approved a supplemental appropriation totalling \$11,366,423 to begin design and construction on the new Main Library, fund various branch library improvements, and provide other project services. Of the \$11,366,423 appropriated, first year funding in the amount of \$175,000 for the Bureau of Architecture's project manager and for architectural supervision was placed on reserve pending the provision of detailed information on the level and type of services to be provided by the Bureau.

According to Russ Abel of DPW's Bureau of Architecture, the Bureau of Architecture will be responsible for project management and administration of all aspects of the Library Improvement Bond issue, including the design and construction of the new Main Library and Branch Library renovations. Project management and administration of the new Main Library will include oversight of the design contract with the architects, and provision of "owner supplied information" such as surveys, soils testing, and utility locations. The Bureau has submitted the following budget for the period covering January 1, 1990 through December 31, 1990:

<u>Project Budget Item</u>	<u>Budgeted Amount</u>
Project Manager - 2,080 hours @ \$32.17 / hour	\$66,904
Principal Architect - 296 hours @ \$33.75 / hour	9,990
DPW overhead (105.19% of Salaries)	80,884
Contingency - (overtime, temporary PT positions)	<u>17,222</u>
Total	\$175,000

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**Comments:** 1. Mr. Abel reports that one new Project Manager position at the Bureau of Architecture was created specifically by work-order to manage the projects funded by the Library Improvement Bond issue. Mr. Abel states that once the branch renovations are complete and the new Main Library is constructed, the positions will be eliminated and the staff reassigned to other existing work-orders in the Bureau.

2. Mr. Abel reports that the architectural design contract for the Main Library is currently being negotiated with the two architectural firms.

3. With respect to Branch Library renovation projects, the Library Improvement Bond issue provides \$5,000,000 for Branch Library renovations which, according to Ms. Kathy Page of the Library, will not be sufficient to renovate all of the 21 Branch Libraries owned by the City. The Library Commission has developed a partial priority list of branches needing immediate renovation work based on the public's use of the branches or the branches' seismic vulnerability. The Commission's priority list consists of the following branches:

1. Park
2. Sunset
3. Mission
4. Richmond
5. Chinatown

The Library Commission also considers the Presidio Branch Library to be a top priority, but the Commission has decided to close the Presidio Branch temporarily to use it as a storage facility for books and materials, located at other Branch Libraries, while the other Branch Libraries are being renovated and while repairs are made to the earthquake-damaged Main Library. Ms. Karen Cox, Assistant City Librarian, reports that the Library has recently received other offers as an alternative to using the Presidio Branch for storage. However, there has been no final disposition of this matter. Although final cost estimates for renovations of all of the City owned Branch Libraries are not yet available, Mr. Abel states that DPW currently estimates that eight branches could be renovated using the \$5 million available from the bond issue and is conducting further cost estimates of other Branch Libraries. Ms. Page further reports that the Library intends to seek outside funding such as State Library Construction Bond funds (Proposition 85) to supplement local financing of the Branch Library renovations. Proposition 85 funds would provide 65% matching funds for Library capital improvement projects. Currently, the Bureau of Architecture is engaged in architectural design and engineering for the renovations to the Park and Sunset Branch Libraries.

**BOARD OF SUPERVISORS**  
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4. The Bureau has submitted a budget of \$175,000 for Calendar Year 1990, rather than for Fiscal Year 1989-90. Based on the budget submitted, the Bureau of Architecture will spend \$87,500 from January 1, 1990 through June 30, 1990. In order to coincide the Bureau of Architecture's expenditure of funds with Fiscal Year 1989-90, the Budget Analyst recommends that the request for release of reserve in the amount of \$175,000 be reduced to \$87,500 to fund the remainder of Fiscal Year 1989-90. The Library and DPW's Bureau of Architecture should then budget the Library Improvement Bond issue funds for Project Management for the full Fiscal Year 1990-91, request release of the remaining reserves of \$87,500 and submit a supplemental appropriation request to fund the remainder of Fiscal Year 1990-91 accordingly.

**Recommendation:** Amend the request for release of reserve from \$175,000 to \$87,500 to fund the Project Management of the Library Improvement Bond funds from January 1, 1990 through June 30, 1990.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 25 - File 101-89-62

**Department:** Commission on the Status of Women

**Item:** Supplemental Appropriation Ordinance to increase the 1989-90 budget for Professional and Special Services (contractual services).

**Amount:** \$40,000

**Source of Funds:** General Fund - General Reserve

**Description:** Five years ago the San Francisco Bar Association Volunteer Legal Services Program, a nonprofit agency in cooperation with seven other agencies that provide services to victims of domestic violence, opened the Temporary Restraining Order (TRO) Clinic that assists primarily low income and minority women in obtaining temporary restraining orders through help in preparing legal documents and in presenting their cases to the court. Referrals to the clinic come from the District Attorney's Family Violence Project, the San Francisco Police Department and by word of mouth. The clinic budget pays for one full-time coordinating attorney and minimal part-time staff. Most of the clinic's services are performed by volunteers, including attorneys.

Judge Ina Gyemont has organized her court to hear only petitions from TRO Clinic clients every other Tuesday afternoon. Consolidation of the hearings (made possible by the clinic's operation) makes the court's operation more streamlined and efficient. The TRO Clinic provides support for the women who are petitioning the court for TROs. A TRO Clinic attorney attends the hearings and provides minimal legal assistance for all the petitioners.

Ms. Esta Soler, Director of the District Attorney's Family Violence Project, maintains that their operation also functions more effectively due to the Clinic's existence. Additionally, women who have TROs usually are assured of better cooperation from the Police Department because Police are able to respond to calls for help when there is an active restraining order in force.

Family Violence Project statistics indicate that existence of a TRO reduces future violence by up to 70 percent. Absence of a TRO frequently results in future violent episodes of increased seriousness, which puts greater demands on the criminal justice and court systems.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



For the last three years, the TRO Clinic's \$60,000 annual budget has been funded by the Junior League of San Francisco, a nonprofit agency.

Because the Junior League is not set up to provide on-going funding and because its priorities and projects change from year-to-year, the Junior League's 1989-90 grant for the TRO Clinic has been reduced to \$15,000. In spite of efforts to attract other grant funding, the TRO Clinic has secured only an additional \$10,000. According to Sharon Johnson, Executive Director of the Commission on the Status of Women, the \$25,000 total has funded the TRO clinic through October. The TRO Clinic has survived on loans since October and expects to obtain additional donations of \$3,358, but is in immediate danger of closing without a new funding source for the \$40,000 needed to balance its 1989-90 budget of \$68,354. Therefore, the Commission on the Status of Women requests that \$40,000 be appropriated from City funds to fund the TRO clinic for eight months from November, 1989, through June, 1990. The Commission on the Status of Women plans to include \$60,000 in their 1990-91 budget to fund the TRO clinic for 1990-91.

The TRO Clinic budget for 1989-90 is as follows:

Personnel

Executive Director and Coordinating Attorney (Full Time)	\$24,000
Volunteer Coordinator (Part Time - 0.15 FTE)	5,500
Legal Assistant (Part Time - 0.63 FTE)	14,300
Fringe Benefits	<u>7,568</u>
Subtotal - Personnel	\$51,368

Operating Costs

Printing	\$1,450
Postage	1,000
Office Supplies	1,200
Training	450
Travel and Staff Expense	672
Insurance (Malpractice)	1,000
Outreach Brochure	5,000
Bookkeeping and Audit	<u>6,214</u>
Total	\$68,354

**Recommendation:**

The funding of a new General Fund program is a policy matter for the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 26 - File 101-89-64

**Department:** Police Department

**Item:** Supplemental Appropriation Ordinance

**Amount:** \$23,150

**Source of Funds:** Narcotics Forfeiture and Asset Seizure Fund

**Purpose:** To initiate a Police Athletics League (PAL) boxing program in the Western Addition, Hunter's Point and Sunnydale communities.

**Description:** Under the proposed program, off-duty San Francisco Police Officers would teach boxing, related athletic training skills and provide counseling to a minimum of 60 youth, between nine and fourteen years of age who are at risk of involvement in drug or gang activities. It is anticipated that twenty youth would be enrolled at each of the three proposed sites: Western Addition, Hunter's Point and Sunnydale. The program would be provided two days a week for two hours per day.

Staffing for the proposed program would include six off-duty police officers, each responsible for working four hours per week. Two police officers would be assigned to each of the three sites. The proposed supplemental appropriation includes the following budgeted funds for police overtime and materials and supplies.

Overtime	\$16,850
Materials and Supplies	<u>6,300</u>
Total	\$23,150

The materials and supplies include purchasing punching bags and gloves, speed bags and gloves, medicine balls, head gear, groin protectors, tape, mouthpieces, etc. for each of the three facilities.

The \$23,150 supplemental appropriation would fund the proposed new program for six months from January 1, 1990 through June 30, 1990.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**Comments:**

1. In addition to teaching boxing skills, the proposed program's objective is to provide alternatives to drugs and gang activities for our City's youth. The program is intended to teach self-discipline while providing physical outlets for these youth in hopes of instilling self-confidence and self-esteem. The proposed program would provide counseling to youth facing drug and gang involvement decisions. The proposed program is also anticipated to increase the amount of recreational opportunities in the three targeted communities while countering negative attitudes toward the City's police.

2. On November 29, 1989, the Mayor's Criminal Justice Council (MCJC) submitted recommendations to the Finance Committee on policies, procedures and funding for use of the Narcotics Forfeiture Fund. The Board of Supervisors has approved the policy recommendations of the MCJC and requested that the funding recommendations be brought before the Board of Supervisors in the form of supplemental appropriation ordinances. One of the MCJC's funding recommendations was that \$40,000 be approved for the Police Athletic League's Boxing Program, that is the subject of the proposed supplemental appropriation ordinance. The proposed supplemental appropriation was reduced from \$40,000 to \$23,150 by the Mayor's Office because the initial \$40,000 included funding for a full year. As noted above, the proposed \$23,150 would fund the new boxing program for six months, or through June 30, 1990, in order to coincide with the City's fiscal year.

3. According to Mr. Ronald Exley of the Police Athletic League, although the YMCA site in the Western Addition was the initial site proposed, this facility is no longer available for this program's use. Instead, the Ella Hill Hutch Community Center in the Western Addition will be used. In addition, the Milton Meyers Gym (Kiska Road Gym) will be used in the Hunters Point community and the Sunnydale Community Center has been tentatively agreed upon in the Sunnydale community.



4. It should be noted that during the 1989-90 budget hearings in June, 1989, the Board of Supervisors requested that the Mayor submit a supplemental appropriation ordinance to the Board for a new youth boxing program in the amount of \$20,000 from the Special Recreation and Park Revenue Fund. Mr. Ernie Prindle, of the Recreation and Park Department reports that the City's 1989-90 consolidated budget document includes a \$20,000 reserve of unappropriated revenues in the Recreation and Park Department's Open Space Fund. To date, these funds have not been appropriated.

5. According to Mr. Joel Robinson of the Recreation and Park Department, the Recreation and Park Department currently provides a limited training program in boxing at the Oceanview Playground and the Milton Meyers Gym, although this program does not involve full contact boxing and is funded with existing General Fund staff and funds. Mr. Prindle and Mr. Robinson have both stated that the Recreation and Park Department cannot provide full contact boxing because of insurance and liability concerns. However, in response to inquiries by the Budget Analyst, the Recreation and Park Department states that they could contract with the PAL to provide full contact boxing in Recreation and Park facilities, could provide specific financial assistance in terms of purchasing equipment for the City's boxing programs or could expand the proposed Narcotics Forfeiture Fund's boxing program with the \$20,000 reserved in the Open Space Fund.

6. Lieutenant John Robinson of the Police Department reports that as of December 8, 1989, there was a fund balance of \$170,560 remaining in the Narcotics Forfeiture and Asset Seizure Fund. If the proposed \$23,150 is approved, there would be a remaining fund balance of \$147,410.

**Recommendation:**

Approval of the proposed supplemental appropriation ordinance to initiate a new boxing program is a policy matter for the Board of Supervisors.



Item 27 - File 101-89-66

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Supplemental Appropriation Ordinance to fund the Dispute Resolution Program for the period from October 1, 1989, through September 30, 1990.

**Amount:** \$226,090

**Source of Funds:** Special Revenue Funds - Dispute Resolution Program (\$3.00 surcharge on various Municipal and Superior Court filing fees).

**Description:** In December of 1986 the City and County of San Francisco established a funding source for a Dispute Resolution Program in accordance with the State Dispute Resolution Programs Act of 1986 by adding a \$3.00 surcharge to various Municipal and Superior Court filing fees. By October 1988 sufficient funds from the surcharges had accumulated to fund a local Dispute Resolution Program as approved by the Board of Supervisors (Files 101-88-15 and 338-88-1), totalling \$229,842 for the one-year period October 1, 1988, through September 30, 1989. The Dispute Resolution Program provides an alternative to formal court proceedings for the settlement of disputes by assembling panels of specialists to hear the disputant's argument and then to render a non-binding decision regarding the dispute.

On October 30, 1989, the Board of Supervisors approved Resolution No. 815-89 which extended the City's Dispute Resolution Program for an additional year, October 1, 1989 through September 30, 1990.

The proposed supplemental appropriation (File 101-889-66) would fund a continuation of the Dispute Resolution Program retroactive from October 1, 1989 through September 30, 1990, as follows:

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Contract Services (same contractors used from October 1, 1988 through September 30, 1989)

Community Boards		
(1,147 cases* @ \$92/case)	\$105,545	
California Community Dispute		
Services (947 cases* @ \$95/case)	90,000	
California Lawyers for the Arts		
(104 cases* @ \$96/case)	<u>10,000</u>	
Total Contract Services		\$205,545

\* The number of cases to be provided was determined by dividing the available funding by the per case cost.

<u>MOCD Administration</u>	<u>FTE</u>	
Senior Clerk Typist	0.05	\$1,120
Senior Accountant	0.11	3,413
Senior Community		
Development Specialist	0.20	7,825
Supervising Community		
Development Specialist	<u>0.10</u>	<u>6,087</u>
	0.46	\$18,445

Routine travel (to Sacramento to meet with State Department of Consumer Affairs) 600

Printing 600

Materials and Supplies 900

Total - MOCD Administration (9% of program total) \$ 20,545

Program Total \$226,090

**Comments:**

1. The Supplemental Appropriation Ordinance would extend the work programs for the existing contractors for an additional year, from October 1, 1989 through September 30, 1990. Therefore, the proposed ordinance should be amended to ratify action previously taken.

2. MOCD has been incurring administrative costs to monitor the contractors under the Dispute Resolution Program since July 1, 1989. The proposed supplemental appropriation should also be amended in order to ratify these costs as an action previously taken.

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3. A comparison of contractor cost per case between 1988-89 and 1989-90 for the three contracting agencies is as follows:

<u>Contractor</u>	<u>Cost Per Case</u>		<u>Increase/ (Decrease)</u>
	<u>1988-89</u>	<u>1989-90</u>	
Community Boards	\$111	\$92	(\$19)
California Community Dispute Services	107	95	(12)
California Lawyers for the Arts	100	96	(4)

4. The \$18,445 budgeted for Dispute Resolution Program salaries are identified on page 117 of the Budget Analyst's Report on the 1990 Community Development as an off-setting transfer to the Mayor's Office of Community Development (MOCD) Consolidated Budget for 1990.

5. The MOCD Consolidated Community Development Block Grant (CDBG) Budget for 1990 does not include an off-setting transfer for overhead costs attributed to the Dispute Resolution Program totalling \$2,100 (Routine Travel - \$600, Printing - \$600, and Material and Supplies - \$900). These items should be deducted from the proposed Supplemental Appropriation Ordinance since these items have been approved in the new 1990 CDBG budget.

**Recommendation:** 1. Amend the proposed Supplemental Appropriation as follows:

Title

- a. Amend lines 2 and 3 to decrease the total appropriation by \$2,100 from \$226,090 to \$223,990, and to eliminate the phrase "Routine Travel, Printing and Material and Supplies";

Funding Sources

- b. Amend line 11 to decrease the need of the Special Revenue Fund by \$2,100 from \$226,090 to \$223,990;

Expenditures

- c. Delete line 15 to eliminate Routine Travel at \$600;
- d. Delete line 16 to eliminate Printing at \$600; and
- e. Delete line 17 to eliminate Materials and Supplies at \$900.

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2. Amend also the proposed Supplemental Appropriation to ratify actions previously taken.
3. Approve the proposed Supplemental Appropriation Ordinance as amended.



Item 28 - File 100-89-1.3

**Department:** Rent Stabilization and Arbitration Board (Rent Board)

**Item:** Request for release of reserve

**Amount:** \$177,284

**Source of Funds:** Residential Rent Stabilization and Arbitration Fund

**Description:** The proposed request for release is for \$177,284 to increase and improve the administrative operations of the Rent Board. These funds were placed on reserve in June, 1989 during the 1989-90 budget hearings pending the passage of the rental fee legislation. The rental fee legislation, which replaced the Rent Board's filing and petition fees with an \$8 per unit fee on the owner of all rent controlled units and is intended to fund the Rent Board's operations, became effective September 9, 1989 (Ordinance No. 278-89).

The proposed request for release includes the following:

Permanent Salaries-Miscellaneous	\$27,082
Mandatory Fringe Benefits	18,291
Other Contractual Services	5,198
Telephone	30,700
Rental of Property	67,289
Materials and Supplies	11,800
Real Estate	6,500
Equipment Purchase	6,924
Equipment Lease/Purchase	<u>3,500</u>
Total	\$177,284

The request for the Permanent Salaries - Miscellaneous is for a Senior Accountant position. The Mandatory Fringe Benefits reserve includes the cost of fringe benefits for the Senior Accountant position and one Hearing Officer position. The Other Contractual Services reserve includes \$5,000 for moving expenses to 25 Van Ness Avenue and \$198 for a one year service contract on one tape recorder. The \$30,700 reserve for the Telephone includes the costs for the installation and rental of new telephone equipment. The \$67,289 reserve for Rental of Property is to cover the rental costs of new office space at 25 Van Ness Avenue.



The \$11,800 reserve for Materials and Supplies includes \$10,000 for outreach and education materials and brochures concerning Rent Board laws and services, \$1,000 for reprinting stationary with the Rent Board's new address and \$800 for supplies for the new staff. The Real Estate Department's work order fees on reserve for its administrative expenses in connection with the new office for the Rent Board total \$6,500. The \$6,924 on reserve for Equipment Purchase includes one conference table (\$425), ten chairs (\$600), two desks (\$1,600), two desk chairs (\$400), one conference tape recorder (\$3,179) and three conference microphones (\$720). The \$3,500 Equipment Lease/Purchase reserve is for two computer terminals.

**Comments:**

1. The proposed new Senior Accountant position would provide assistance to the Rent Board in preparing budget reports, monitoring the capital improvement requests and expenses, payroll concerns and in administering the Department's annual budget. According to Alicia Wicks, if the reserve of funds is approved, the position would be filled as soon as possible. Assuming a start date of January 1, 1990, a total of \$16,249 would be required to fund the Senior Accountant position for the balance of the fiscal year, or through June 30, 1990. The reserve of \$27,082 for Permanent Salaries-Miscellaneous should therefore be reduced by \$10,833 to \$16,249 for funding for this position for the remainder of the year.

2. The Mandatory Fringe Benefits reserve of \$18,291 includes fringe benefits for one Senior Accountant and one Hearing Officer for an entire year. At this time, the Rent Board is not requesting release of funds for the additional Hearing Officer position and the Senior Accountant position will only be funded for approximately six months. The Mandatory Fringe Benefit release of reserve can therefore be reduced from \$18,291 to \$3,882, a difference of \$14,409.

3. The \$5,198 reserved for Other Contractual Services was budgeted for \$5,000 for moving expenses and \$198 for a one year service contract on the tape recorder. According to Ms. Wicks, the Rent Board moved into the 25 Van Ness location on approximately November 1, 1989, however, to date, some of the Rent Board's furnishings have not been relocated. Therefore, breakdown of the moving expenses is not available at this time. The service contract on the tape recorder can be reduced by one-half to \$99 to cover the remaining six months of this fiscal year. Other Contractual Services release of reserve should be reduced from \$5,198 to \$5,099, a difference of \$99.

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4. The Rent Board cannot provide any breakdown of the cost data concerning the \$30,700 reserved for the Telephone expenses.

5. The \$67,289 reserve for the Rental of Property was intended to cover the costs of the new rental space at 25 Van Ness Avenue. The Board of Supervisors approved a new lease for the Rent Board at the 25 Van Ness location in early November, 1989 (Resolution No. 826-89). According to Mr. Larry Ritter of the Real Estate Department, the monthly rental cost for the Rent Board's 6,515 square feet of office space is \$7,145 per month, which includes all utilities and janitorial services. For the remainder of fiscal year 1989-90, this will result in a rental cost of \$57,160. The Rental of Property release of reserve should therefore be reduced from \$67,289 to \$57,160, a difference of \$10,129.

6. The \$11,800 reserve for Materials and Supplies included \$10,000 for outreach and education, \$1,000 for new stationary and \$800 for supplies for the new staff. Ms. Wicks reports that to date, the Rent Board has spent approximately \$600 on educational pamphlets concerning the earthquake and cannot provide a breakdown of the remaining year's needs for outreach materials and expenses. The Rent Board currently estimates spending approximately \$1,000 for new stationary. The \$800 for additional supplies were to be provided for the Senior Accountant and a new Hearing Officer. Because the additional Hearing Officer position is not being requested at this time and the Senior Accountant position will only be funded for six months, the additional supplies request should be reduced to \$200. The Materials and Supplies release of reserve should therefore be reduced from \$11,800 to \$11,200, a reduction of \$600.

7. The \$6,500 reserve is for the Real Estate Department's administrative costs to provide work ordered services to the Rent Board in relocating to 25 Van Ness Avenue. According to Mr. Ritter, the Real Estate Department spent \$2,800 during the first quarter of the fiscal year and anticipates spending approximately \$2,200 of additional services for the Rent Board in fiscal year 1989-90, for a total of \$5,000. The Real Estate release of reserve should be reduced from \$6,500 to \$5,000, a decrease of \$1,500.



8. The \$6,924 Equipment Purchase requested release of reserve should be reduced significantly. Based on discussions with Mr. Robert Fleming of the Purchaser's Office, the cost for the most expensive desk chair purchased under State contract, through the Purchaser's Office is \$175, or \$25 less than the \$200 requested by the Rent Board. The maximum cost for a metal desk purchased under State contract is \$400, which is one-half of the \$800 amount budgeted by the Rent Board. Mr. Raymond Low of the Purchaser's Office reports that a conference tape recorder should only cost \$300-\$400, not the \$3,179 requested by the Rent Board. No more than \$500 should be spent on the three conference microphones, rather than the \$720 budgeted. Furthermore, one of the desks and chairs were placed on reserve for an additional Hearing Officer. Since the Rent Board is not requesting to fill this additional Hearing Officer position at this time, the Rent Board does not need these additional office furnishings. The Budget Analyst therefore recommends reducing the requested release of Equipment Purchase funds from \$6,924 to \$2,500, a reduction of \$4,424.

9. The \$3,500 reserve on Equipment Lease/Purchase is for two additional Rent Board computer terminals. According to Ms. Wicks, the Rent Board would pay \$292 per month to lease/purchase this equipment. For the period January 1, 1990 through June 30, 1990, the Rent Board would therefore require approximately \$1,750 to lease/purchase this equipment. Mr. Paul Owsley of EISPC reports that the proposed computer equipment is approved for lease/purchase. The Budget Analyst recommends reducing the requested release of Equipment Lease/Purchase from \$3,500 to \$1,750, a savings of \$1,750.

10. A summary of the Rent Board's requested release of reserve and the Budget Analyst's recommended changes to this request are as follows:

	<u>Reserve Requested</u>	<u>Amount Recommended</u>	<u>Difference</u>
Permanent Salaries	\$27,082	\$16,249	\$10,833
Fringe Benefits	18,291	3,882	14,409
Contractual Services	5,198	5,099	99
Telephone	30,700	30,700	0
Rental of Property	67,289	57,160	10,129
Materials/Supplies	11,800	11,200	600
Real Estate	6,500	5,000	1,500
Equipment Purchase	6,924	2,500	4,424
Equipment Lease	<u>3,500</u>	<u>1,750</u>	<u>1,750</u>
Total	\$177,284	\$133,540	\$43,744

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



11. According to Ms. Anita Jin of the Tax Collector's Office, as of December 7, 1989, the City had received \$1,043,108 of Residential Rent Stabilization and Arbitration fees. Based on an estimated 80 percent collection rate, the Tax Collector's Office had projected receiving total revenues of \$1,235,229, which would be approximately sufficient to cover the costs of the Rent Board's operation. The Rent Board's budget for fiscal year 1989-90 is \$1,237,020. Additional rental fees will continue to be collected and delinquent notices and penalty fees assessed.

**Recommendation:** Reduce the requested release of reserve from \$177,284 to \$133,540 and leave the remaining balance of \$43,744 on reserve.



Item 29 - File 101-89-48

1. This is a hearing to discuss the need for appropriations for emergency earthquake relief and services.

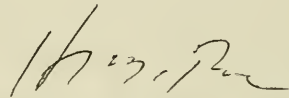
2. The Mayor's October 23, 1989 report to the Board of Supervisors indicated that as a result of the October 17, 1989 earthquake, the City's "public sector costs could be \$750 million", including between \$13 and \$15 million for all staffing costs during the first days of the emergency, \$61 million at the Port, \$20 million at the Asian Art Museum and Fine Arts Museum, \$17 million for the Health Department, \$7 million at the Airport and \$84 million estimated by the Department of Public Works for sewers, streets, sidewalks and signals. The Mayor reports private sector costs could be between \$1.5 billion and \$2.5 billion. Overall, the Mayor reports that the costs of the earthquake will be in excess of \$2.2 billion. As of November 20, 1989, the City's 1989-90 Emergency Reserve Fund was \$4,862,322 and the General Fund General Reserve Fund was \$13,002,956.

3. In response to inquiries by the Budget Analyst, Dave Fong of the Controller's Office reports that the total costs to the City as a result of the earthquake of October 17, 1989 have not been fully identified. City departments have been instructed to use already appropriated funds to cover earthquake related costs, such as overtime pay and emergency contracts. Given the current emergency situation, Mr. Fong reports that if departments do not have sufficient funds, the Controller can authorize the transfer of funds from any legally available source of funds to cover the incurred expenditures. According to the Federal Emergency Management Administration (FEMA) regulations, the City must first expend its own funds and then apply for reimbursement.

4. The Controller issued several memos to all City departments requesting specific information regarding detailed accounting of all costs incurred in response to the earthquake. As of the writing of this report, that information has not been fully provided to the Controller's Office. Mr. Fong reports that on November 6, 1989, the Controller received the payroll cost information regarding the direct labor and overtime expenses incurred by each City department during the two-week payroll period between October 16 and 27, 1989. This report indicates overtime expenses of \$4,458,493 during the two-week period. This is in contrast to an average overtime cost of less than \$2 million for each payroll period during the 1989 calendar year, or an increase of more than approximately \$2.5 million in overtime costs, as a result of the earthquake.



5. According to Mr. Fong, the State has allocated an initial \$3 million to San Francisco for the immediate response public activities incurred by the City and County of San Francisco, the Unified School District, the Redevelopment Agency and the Housing Authority. Mr. Fong reports that FEMA is authorized to allocate another \$15 million to San Francisco after the City's Damage Survey Report is completed and validated by FEMA. Under the current Federal and State regulations, 75 percent of the City's "eligible" costs would be reimbursable by FEMA and the State would provide the remaining 25 percent of the funds not reimbursed by FEMA. Mr. Fong notes that the costs that would be "eligible" for such reimbursement have not been determined.



Harvey M. Rose

cc: Supervisor Walker  
Supervisor Ward  
Supervisor Hallinan  
President Britt  
Supervisor Alioto  
Supervisor Gonzalez  
Supervisor Hongisto  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Nelder  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Carol Wilkins  
Stacy Becker  
Ted Lakey



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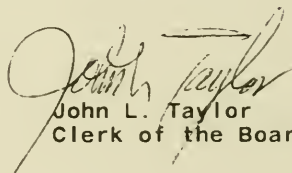
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NOTICE OF CANCELLED MEETINGS  
FINANCE COMMITTEE

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NOTICE is hereby given that the regular meetings of the Finance Committee, scheduled for Wednesday, December 20, 1989, and December 27, 1989, at 2:00 p.m., have been cancelled. The next regular meeting will be held on Wednesday, January 3, 1990.

  
John L. Taylor  
Clerk of the Board

POSTED: December 15, 1989

FINANCE COMMITTEE  
S.F. BOARD OF SUPERVISORS  
CITY HALL, ROOM 235  
SAN FRANCISCO, CA 94102

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